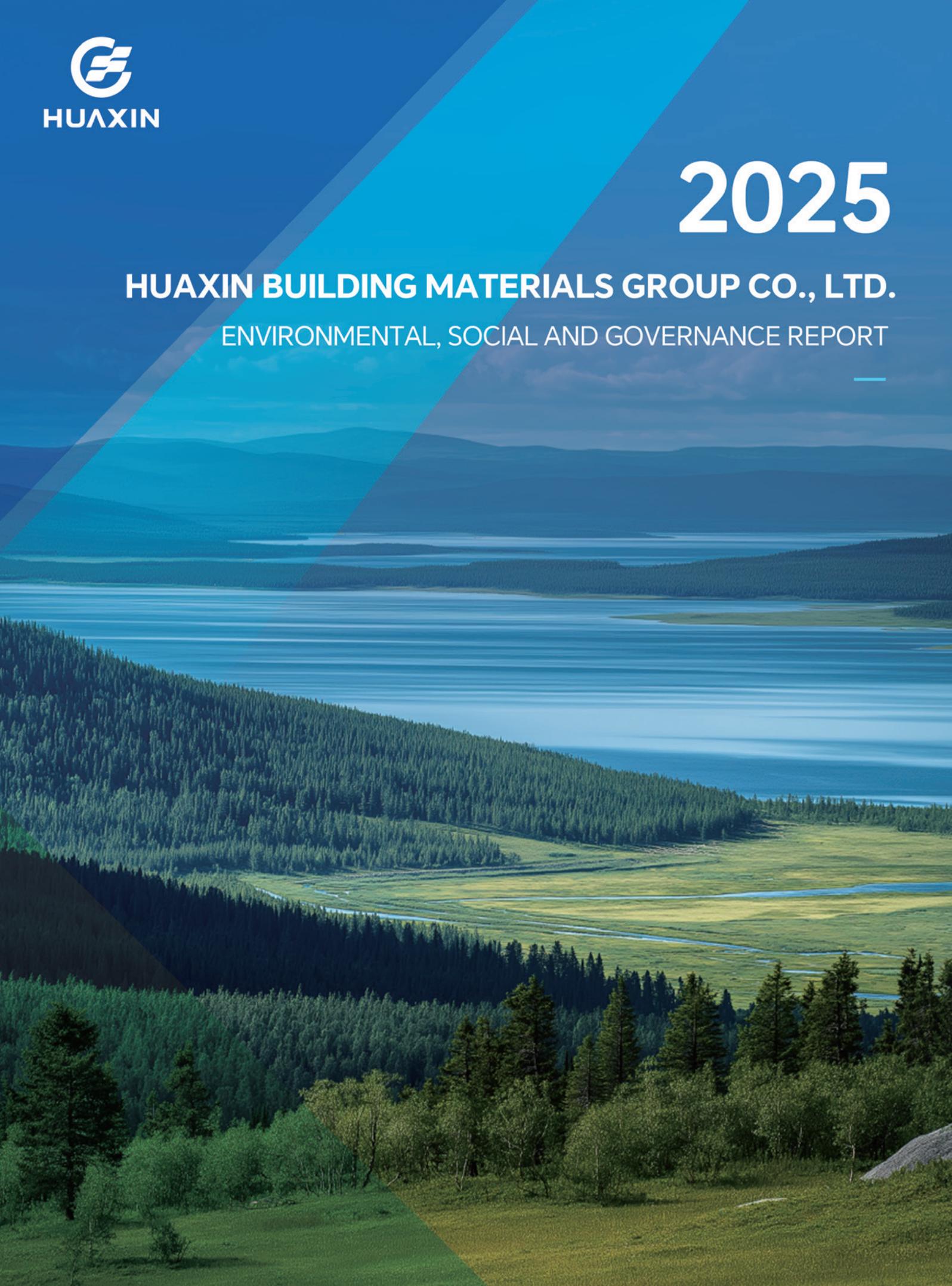




2025

HUAXIN BUILDING MATERIALS GROUP CO., LTD. ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



About the Report

Huaxin Building Materials Group Co., Ltd. (hereinafter referred to as "Huaxin Building Materials Group", "Huaxin", "Company", "the company", "we", "us" or "our") has published its social responsibility/environmental, social and governance (ESG) report every year since 2008, and the 2025 Environmental, Social and Governance (ESG) Report of Huaxin Building Materials Group Co., Ltd. (hereinafter referred to as the "Report") will comprehensively elaborate the Company's environmental, social and governance (hereinafter referred to as "ESG") management philosophy and policies, and the Company's performance in ESG in 2025.

Time range

This Report covers the period from January 1, 2025 to December 31, 2025 (hereinafter referred to as the "reporting period"). In order to enhance the comparability and foresight of the Report, some of the contents have been appropriately extended to the previous and subsequent years.

Report boundaries

Unless otherwise specified, this Report covers Huaxin Building Materials Group Co., Ltd. and its subsidiaries (hereinafter referred to as the "Group").

Reference standards

This Report has been prepared with reference to reporting standards, including the Appendix C2 Environmental, Social and Governance Reporting Code to the Rules Governing the Listing of Securities in The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Main Board Listing Rules"), Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies – Sustainability Report (Trial), the United Nations Sustainable Development Goals (SDGs), and the GRI Standards.

This Report adheres to the four principles required by Appendix C2 to the Main Board Listing Rules, namely the principles of significance, quantifiability, balance and consistency.

Data description

The data in this Report are all from the Company's official documents and statistical reports, of which the operating data are from the "2025 Annual Report of Huaxin Building Materials Group Co., Ltd." (hereinafter referred to as the "Annual Report"), if the listed data is different, the Annual Report shall prevail. Unless otherwise specified, the currencies mentioned in this Report are listed in RMB.

Report approval

This Report was deliberated and approved by the 22nd meeting of the 11th Board of Directors of the Company.

Reliability statement

The Board of Directors of the Company warrants that there are no false records, misleading statements or material omissions in the contents of this Report.

Report language

The Report is in Chinese and English, if there is a discrepancy between the two language versions, please refer to the Chinese version.

Report acquisition

This Report is published annually and in electronic form. To obtain the electronic version, please visit the official website of Huaxin Building Materials Group Co., Ltd. (<https://www.huaxincem.com>) or the website of the Hong Kong Stock Exchange (www.hkex.com.hk) to download and read.

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Message by the President

The year 2025 marks both the conclusion of the 14th Five-Year Plan and the pivotal period for charting the course of the 15th Five-Year Plan. At this critical juncture connecting the past and the future, Huaxin Building Materials Group responded to the needs of our strategic upgrade and business expansion by officially changing our corporate name to "Huaxin Building Materials Group Co., Ltd." Embracing industrial transformation with a renewed vision, we have embarked on a new journey of development.

Despite declining demand and intensifying competition, Huaxin Materials rise to the challenge. We have upheld the bottom lines of "safety, environmental protection, and quality" and executed our four new core strategies: "Overseas Multi-business Development, Domestic Integrated Collaboration, Carbon Reduction and Value-added Innovation, and Digital AI-driven Transformation". We are accelerating the development of a "Global Group + Multi-brand" synergy system to achieve the organic unity of global strategy and regional focus, hastening our own leap from a "Basic Building Materials Supplier" to a "Full-scene Building Materials Solutions Provider". We have taken a solid step forward on the journey to becoming a world-leading multinational building materials group.

Consolidating governance bedrock and maintaining strict risk control

We base our operations on sound governance, deeply integrating ESG principles into our management. We have continuously optimized our board governance, providing professional support for scientific decision-making. In 2025, we have been honored for the "Excellent Practice in Listed Companies' Board Offices" by the China Association for Public Companies for the third consecutive year. We have also established a compensation-based incentive system deeply tied to long-term development, incorporating sustainable development performance into senior management's performance appraisals. Besides, we have improved the closed-loop process of risk management, ensuring effective implementation of key control activities. Through the "Clean Huaxin" creation, we have promoted the tiered signing of letters of integrity responsibility and achieved full coverage of anti-corruption training for management, ensuring the Company's stable and long-term progress through compliance and integrity.

Championing green transition and leading low-carbon transformation

We are committed to green and low-carbon development, steadfastly advancing towards the national "Dual Carbon" goals. We have established a climate governance system centered around the Carbon Asset Management Committee, strengthening climate strategy coordination and accountability. Additionally, we have innovatively developed low-carbon technological solutions like cement-based aerogels and carbonized wall materials, unlocking both economic and environmental benefits. We have also systematically promoted energy-saving technical upgrades, forming an energy efficiency improvement network covering the entire production process. We continued to advance the development of green plants, with 25 of our plants being recognized as national-level green plants. Furthermore, we have implemented ecological restoration concurrent with mining activities, resulting in 13 of our plants being recognized as National Green Mines. Leveraging our co-processing technology, we possess the ability to dispose of waste safely and harmlessly, contributing to the development of "Zero-Waste Cities".

Driving technological innovation and cementing quality foundations

With innovation as our engine, we build momentum for future development. We closely align our technological R&D efforts with national strategies, deeply participating in two national key R&D programs and five provincial/ministerial-level major science and technology projects. We continuously drive systemic, data-driven change by advancing our digital transformation across both our global digital control platform and "Huaxin Mall" that integrates full-chain online services. Moreover, we have built a responsible supply chain, implementing annual environmental and social impact assessments for our suppliers. We have also enhanced our quality management system that covers the entire product lifecycle, safeguarding our "century-old quality promise" with a rigorous quality network.

Harnessing employee wisdom and unleashing talent vitality

We regard employees as the core driver of high-quality development and have built a comprehensive talent system covering rights protection, health & safety, as well as growth & development. We implement a compensation and benefits system that both values fairness and rewards competence, and further bind personal development with the Company's long-term value through employee stock ownership plans. We also secure the safety thresholds, normalizing safety audits, hazard identification, and safety culture cultivation. We have created a distinctive talent development system, paving dual-channel career development paths for employees in management and professional/technical fields, empowering our global strategy with well-rounded talents.

Staying committed to the Belt and Road Initiative and Conveying Huaxin's Warmth

We are deeply aware of our responsibilities and actively fulfill our social responsibilities. We have continuously implemented the "Belt and Road Initiative" and adhered to the philosophy of "Building one plant to benefit one community", forming an overseas CSR model integrating technology export, local operation, community co-construction, and cultural integration. Domestically, we focus on key areas to support rural revitalization, promoting volunteer services in a standardized and institutionalized approach. Through these heartwarming actions, we build stronger connections with communities, painting a picture of shared progress and symbiosis between the Company and society through persistent and pragmatic actions.

Forging ahead courageously, we will not be daunted by the long journey or the obstacles that come with it. As we enter the new development phase of the 15th Five-Year Plan, We will continue to advance on our Belt and Road journey by staying committed to green development, driving technological innovation, and anchoring ourselves to the people-first principle. We will dedicate ourselves to ushering in a new phase in our global development and building a better world.

Li Yeqing

Huaxin Building Materials Group Co., Ltd.

About Huaxin Building Materials Group

Founded in 1907, Huaxin Building Materials Group Co., Ltd. is known as the cradle of China's cement industry and has been a leading supplier of building materials in China for 118 years. In 1994, the Company's A and B shares were listed on the Shanghai Stock Exchange. In 1999, it formed a strategic partnership with Holcim. On March 28, 2022, Huaxin Building Materials Group successfully transferred from B-share market to H-share market and was officially listed on the Main Board of the Hong Kong Stock Exchange. In December 2025, the Company's name was officially changed from Huaxin Cement Co., Ltd. to Huaxin Building Materials Group Co., Ltd.

Since 2000, the Company has developed from a local cement firm into a global building materials group that possesses more than 300 subsidiaries in 17 provinces and cities in China and 22 overseas countries, and pursues integrated development along the whole industry chain covering cement, concrete, aggregates, environmental protection, equipment manufacturing & engineering, and new building materials. It now ranks among Top 500 Chinese Manufacturing Enterprises and the Fortune China 500. In addition, it has been selected into the "List of China's 500 Most Valuable Brands" for many years in a row, and its brand value has exceeded 110 billion RMB.

Company culture

- Brand** — A century-old brand with trustworthy quality
- Spirit** — Honest, dedicated, pragmatic, innovative
- Mission** — To clean our living environment, and provide reliable building materials
- Vision** — A better world starts with us
- Value** — Safety first, customer-centered, result-directed, honest and trustworthy, innovative development, and people-oriented

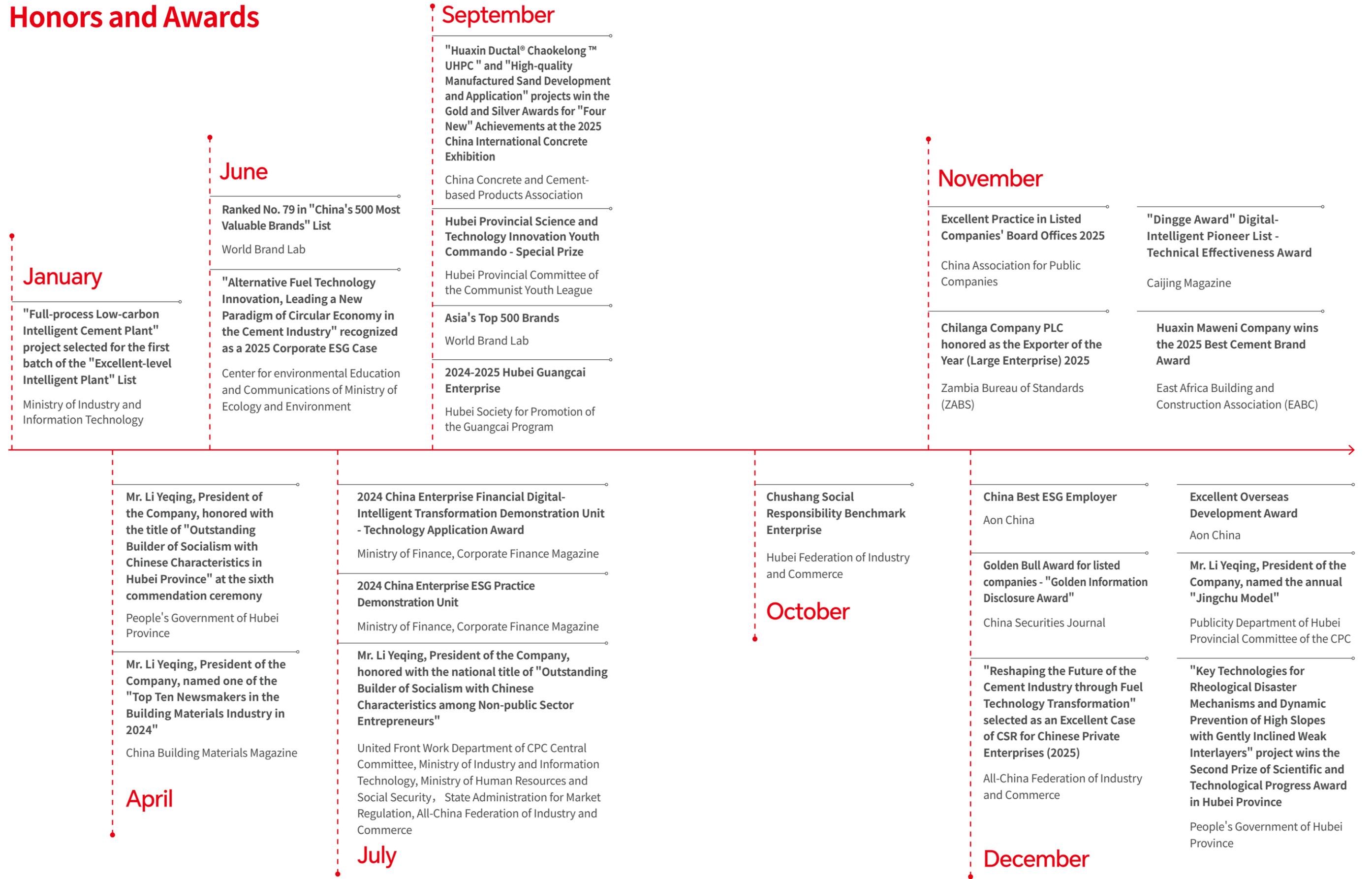
Company Business

At the beginning, when the Company went public, it was a specialized company engaged in cement production and sales, cement technical services, cement equipment (including research, manufacturing, installation, and maintenance), and cement import and export. In the past 20 years, as it implemented a number of development strategies on integrated development, environmental protection transformation, overseas development, and the expansion of new building materials business, the Company has expanded its businesses to include the production and sales of commercial concrete, aggregate, and cement-based new building materials, cement kiln collaborative disposal of wastes for environmental protection, domestic and international cement EPC contracting, the technology, equipment and engineering contracting for cement kiln collaborative disposal, and other related businesses. Over time, it has become a leading global building materials group in China that pursues integrated development along the whole industrial chain.

<p>Operating revenue</p> <p>35.35 billion RMB</p>	<p>Gross profit</p> <p>4.95 billion RMB</p>	<p>Total assets</p> <p>81.07 billion RMB</p>
<p>Cement production capacity (grinding capacity, including the capacity of joint ventures)</p> <p>138 million tons/year</p>	<p>Commercial concrete production capacity (including commissioned processing capacity)</p> <p>46,314 m³/hour</p>	<p>Aggregate capacity</p> <p>292 million tons/year</p>
<p>Waste disposal capacity</p> <p>18.81 million tons/year</p>	<p>Cement equipment manufacturing capacity</p> <p>50,000 tons/year</p>	<p>Comprehensive environmental protection wall material production capacity of eco-friendly wall materials</p> <p>660 million pieces/year</p>
<p>Aerated concrete products (bricks, slabs) production capacity</p> <p>950,000 m³/year</p>	<p>Ultra-high-performance concrete capacity</p> <p>400,000 tons/year</p>	<p>Cement packaging bag capacity</p> <p>700 million pieces/year</p>



Honors and Awards



January

"Full-process Low-carbon Intelligent Cement Plant" project selected for the first batch of the "Excellent-level Intelligent Plant" List
Ministry of Industry and Information Technology

June

Ranked No. 79 in "China's 500 Most Valuable Brands" List
World Brand Lab
"Alternative Fuel Technology Innovation, Leading a New Paradigm of Circular Economy in the Cement Industry" recognized as a 2025 Corporate ESG Case
Center for environmental Education and Communications of Ministry of Ecology and Environment

September

"Huaxin Ductal® Chaokelong™ UHPC" and "High-quality Manufactured Sand Development and Application" projects win the Gold and Silver Awards for "Four New" Achievements at the 2025 China International Concrete Exhibition
China Concrete and Cement-based Products Association
Hubei Provincial Science and Technology Innovation Youth Commando - Special Prize
Hubei Provincial Committee of the Communist Youth League
Asia's Top 500 Brands
World Brand Lab
2024-2025 Hubei Guangcai Enterprise
Hubei Society for Promotion of the Guangcai Program

November

Excellent Practice in Listed Companies' Board Offices 2025
China Association for Public Companies
Chilanga Company PLC honored as the Exporter of the Year (Large Enterprise) 2025
Zambia Bureau of Standards (ZABS)
"Dingge Award" Digital-Intelligent Pioneer List - Technical Effectiveness Award
Caijing Magazine
Huaxin Maweni Company wins the 2025 Best Cement Brand Award
East Africa Building and Construction Association (EABC)

Mr. Li Yeqing, President of the Company, honored with the title of "Outstanding Builder of Socialism with Chinese Characteristics in Hubei Province" at the sixth commendation ceremony
People's Government of Hubei Province

Mr. Li Yeqing, President of the Company, named one of the "Top Ten Newsmakers in the Building Materials Industry in 2024"
China Building Materials Magazine

April

2024 China Enterprise Financial Digital-Intelligent Transformation Demonstration Unit - Technology Application Award
Ministry of Finance, Corporate Finance Magazine

2024 China Enterprise ESG Practice Demonstration Unit
Ministry of Finance, Corporate Finance Magazine

Mr. Li Yeqing, President of the Company, honored with the national title of "Outstanding Builder of Socialism with Chinese Characteristics among Non-public Sector Entrepreneurs"
United Front Work Department of CPC Central Committee, Ministry of Industry and Information Technology, Ministry of Human Resources and Social Security, State Administration for Market Regulation, All-China Federation of Industry and Commerce

July

Chushang Social Responsibility Benchmark Enterprise
Hubei Federation of Industry and Commerce

October

China Best ESG Employer
Aon China
Golden Bull Award for listed companies - "Golden Information Disclosure Award"
China Securities Journal

"Reshaping the Future of the Cement Industry through Fuel Technology Transformation" selected as an Excellent Case of CSR for Chinese Private Enterprises (2025)
All-China Federation of Industry and Commerce

December

Excellent Overseas Development Award
Aon China

Mr. Li Yeqing, President of the Company, named the annual "Jingchu Model"
Publicity Department of Hubei Provincial Committee of the CPC

"Key Technologies for Rheological Disaster Mechanisms and Dynamic Prevention of High Slopes with Gently Inclined Weak Interlayers" project wins the Second Prize of Scientific and Technological Progress Award in Hubei Province
People's Government of Hubei Province

ESG Management

Huaxin Building Materials Group has always adhered to the ESG development concept and comprehensively integrated ESG management into the entire process of enterprise operations and decision-making. The company actively responds to regulatory guidance, proactively addresses the concerns and expectations of stakeholders, scientifically identifies and comprehensively manages risks and opportunities related to sustainable development, and is committed to building a long-term and stable foundation for value growth of the enterprise.

ESG Management Framework

Huaxin Building Materials Group has established a three-level management framework of "Board of Directors-ESG Management Committee-ESG Working Team". The ESG governance responsibilities at each level are clear, with well-defined rights and responsibilities, and they collaborate efficiently to ensure the coordinated advancement and effective implementation of ESG-related work, and to effectively guarantee the orderly implementation of ESG strategies and work plans.

Decision-making level: Board of Directors

The Board of Directors is the highest responsible body and decision-making level for ESG work, and is responsible for the overall supervision, deliberation, and decision making of related matters, including the formulation of relevant strategies and guidelines, special deliberation and reporting on ESG-related reports or ESG-related content in other reports, and the supervision and management of the implementation progress of the formulated ESG-related goals.

Management level: ESG Management Committee

The ESG Management Committee is the research, management and guidance body for ESG work, which is responsible for guiding and formulating the Company's ESG management goals and strategies, formulating ESG management performance indicators, reviewing the Company's ESG reports and other relevant disclosure information, and regularly reporting to the Board of Directors on the progress of ESG management and related matters.

Executive level: ESG Working Team

Under the guidance of the ESG Management Committee, the ESG Working Team coordinates ESG management, formulates corresponding ESG goals and plans, implements the Company's ESG strategy, and maintains communication with internal and external stakeholders.

The specific responsibilities of the ESG Working Team mainly include:

- According to the Company's ESG management strategy and overall goals, formulate the company's ESG-related systems, and regularly review and update them;
- Develop and implement specific ESG work plans;
- Identify and analyze major ESG risks and opportunities, and put forward risk control suggestions;
- Regularly collect and analyze ESG-related performance indicators and submit them to the ESG Management Committee for review;
- Prepare the Company's annual ESG report, submit it to the ESG Management Committee for review and approval, and disclose it;
- Continue to pay attention to the ESG trends of the industry and understand the ESG information of the industry;
- Organize and carry out ESG-related training, publicity and assessment, etc.

Double Materiality Assessment

In 2025, Huaxin Building Materials Group, in accordance with the judgment criteria of impact significance and financial significance in the Guidelines No. 14 of Shanghai Stock Exchange for Self-regulation of Listed Companies — Sustainability Report (Trial) (hereinafter referred to as "the Guidelines"), and with reference to the relevant norms of the materiality assessment in the Global Reporting Initiative Sustainability Reporting Standards (the "GRI Standards"), conducted a questionnaire survey and quantitative analysis on the materiality of the company's issues. During the reporting period, we reviewed the relevant analysis results.



Environment

Huaxin Building Materials Group's sustainable development issues	Impact cycle	Positive impact	Negative impact	Risk	Opportunity	Corresponding to the topics of the Guidelines
Environmental management	Short term	✓	✓	✓		Environmental compliance management
Tackling climate change	Long term	✓	✓	✓	✓	Climate change tackling
Energy use	Medium and long term	✓	✓	✓	✓	Energy usage
Water management	Medium and long term	✓	✓	✓		Usage of water resources
Waste management	Short term	✓	✓	✓		Pollutant discharge Waste disposal
Promote circular economy	Medium and long term	✓			✓	Circular economy
Green and environmentally friendly products	Medium and long term	✓			✓	Company supplementary topics
Biodiversity and natural resource conservation	Long term	✓	✓	✓	✓	Ecosystem and biodiversity protection

Society

Huaxin Building Materials Group's sustainable development issues	Impact cycle	Positive impact	Negative impact	Risk	Opportunity	Corresponding to the topics of the Guidelines
Product quality and safety	Medium and long term	✓	✓	✓	✓	Safety and quality of products and services
Protection of customer rights	Medium and long term	✓	✓	✓	✓	Safety and quality of products and services Data security and customer privacy protection
Diversity, Equity & Inclusion	Medium and long term	✓			✓	Employees
Labor rights	Medium and long term	✓	✓	✓	✓	Employees
Occupational health and safety	Short term		✓	✓		Employees
Communication and caring	Medium and long term	✓			✓	Employees
Development & Training	Medium and long term	✓			✓	Employees
Scientific and technological innovation	Medium and long term	✓			✓	Innovation-driven Ethics of science and technology
Supply chain management	Medium and long term	✓	✓	✓	✓	Supply chain security Equal treatment to small and medium-sized enterprises
Industry exchange and development	Long term	✓			✓	Company supplementary topics
Rural revitalization	Long term	✓			✓	Rural revitalization
Social welfare	Long term	✓			✓	Contributions to the society

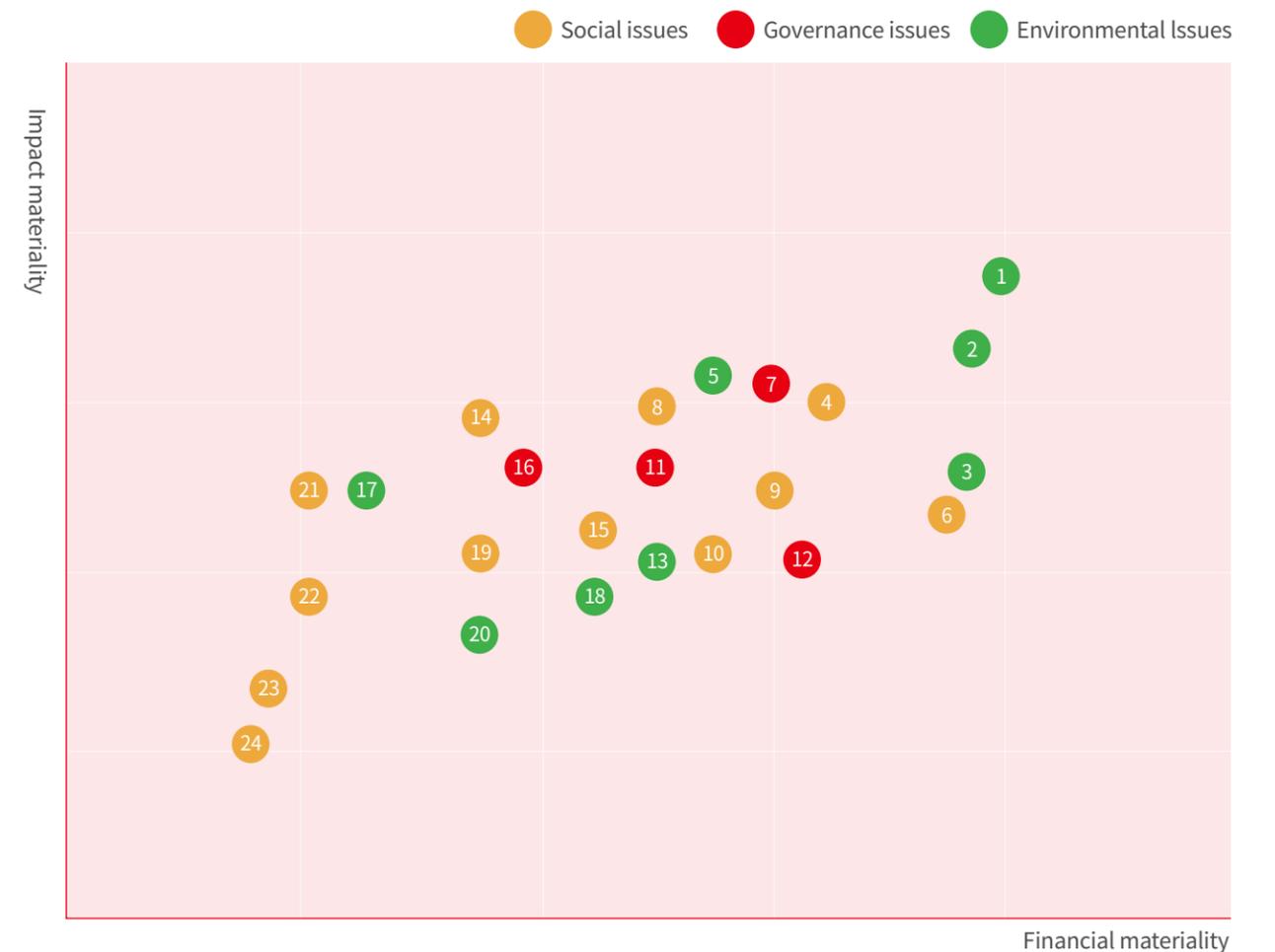
Governance

Huaxin Building Materials Group's sustainable development issues	Impact cycle	Positive impact	Negative impact	Risk	Opportunity	Corresponding to the topics of the Guidelines
Anti-corruption and clean government	Short term	✓	✓	✓		Anti-commercial bribery and anti-corruption Anti-unfair competition
Corporate Governance	Medium and long term	✓	✓	✓		Company supplementary topics
Operate in compliance	Medium and long term	✓	✓	✓		Company supplementary topics
Risk management	Medium and long term	✓	✓	✓		Due diligence

Note: The time frame is defined as short term (within 3 years [inclusive]), medium term (3 years to 5 years [inclusive]) and long term (more than 5 years).

Degree of double materiality

Highly important	Moderately important	Generally important
<ol style="list-style-type: none"> Tackling climate change Environmental management Green and environmentally friendly products Occupational health and safety Biodiversity and natural resource conservation Product quality and safety Corporate Governance Development & Training 	<ol style="list-style-type: none"> Scientific and technological innovation Supply chain management Anti-corruption and clean government Operate in compliance Energy use Labor rights Industry exchange and development Risk management 	<ol style="list-style-type: none"> Waste management Promote circular economy Protection of customer rights Water management Diversity, Equity & Inclusion Communication and caring Rural revitalization Social welfare



Communication with Stakeholders

Huaxin Building Materials Group actively maintains regular communication with various stakeholders. Through diverse channels, it extensively listens to and collects the expectations and demands of stakeholders, aiming to enhance stakeholders' satisfaction and sense of identification.

Stakeholders

Governments and regulatory authorities



Main topics of concern

- Environmental management
- Tackling climate change
- Promote circular economy
- Scientific and technological innovation
- Anti-corruption and clean government

Communication channels

- Information disclosure
- Government meetings
- Policy suggestions
- Site visits
- Daily communication and reporting

Shareholders & Investors



- Tackling climate change
- Green and environmentally friendly products
- Product quality and safety
- Scientific and technological innovation
- Corporate Governance
- Risk management

- General Meeting of Shareholders
- Periodic reports and announcements
- Secretary to the Board's Mailbox
- Shanghai Stock Exchange e-Interaction
- Investor hotline
- Performance briefing and other communication activities

Clients



- Green and environmentally friendly products
- Product quality and safety
- Protection of customer rights

- Questionnaire
- Quality monitoring system
- Social media, etc.

Stakeholders

Partners



Main topics of concern

- Scientific and technological innovation
- Supply chain management
- Industry exchange and development

Communication channels

- Supplier conference
- Questionnaire
- Project cooperation
- Industry exchanges
- Business negotiation

Employees



- Diversity, Equity & Inclusion
- Labor rights
- Occupational health and safety
- Communication and caring
- Development & Training

- Labor Union
- Employee survey
- Employee training
- Symposiums, talks, etc.
- Daily communication

Society and the public



- Environmental management
- Rural revitalization
- Social welfare

- Volunteer service
- Information disclosure
- Job fairs



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Bolstering Governance to Reinforce the Foundation for Sustainability

Governance serves as the foundation for steady and long-term progress. With unwavering dedication and perseverance, new chapters can be written. Huaxin Building Materials Group has always deeply integrated standardized governance with sustainable development, creating an efficient, transparent, and diverse governance ecosystem. We unfold the practical panorama of the company's efforts in governance effectiveness, risk prevention and control, and the cultivation of business ethics. From consolidating the institutional foundation to empowering with governance wisdom, from safeguarding against compliance risks to practicing integrity and fairness, every measure demonstrates the company's responsibility and commitment to sustainable development through high-quality governance.

- 15 Enhancing Governance Effectiveness
- 19 Fortifying Risk-Control Defenses
- 22 Upholding Business Ethics

Contribute to SDGs



Enhancing Governance Effectiveness

Huaxin Building Materials Group strictly adheres to the laws, regulations and regulatory requirements of its operating locations. Centering on the establishment of a standardized, efficient and transparent governance system, it continuously improves the corporate governance mechanism, consolidates the foundation for compliant operations, and safeguards the legitimate rights and interests of shareholders and investors.

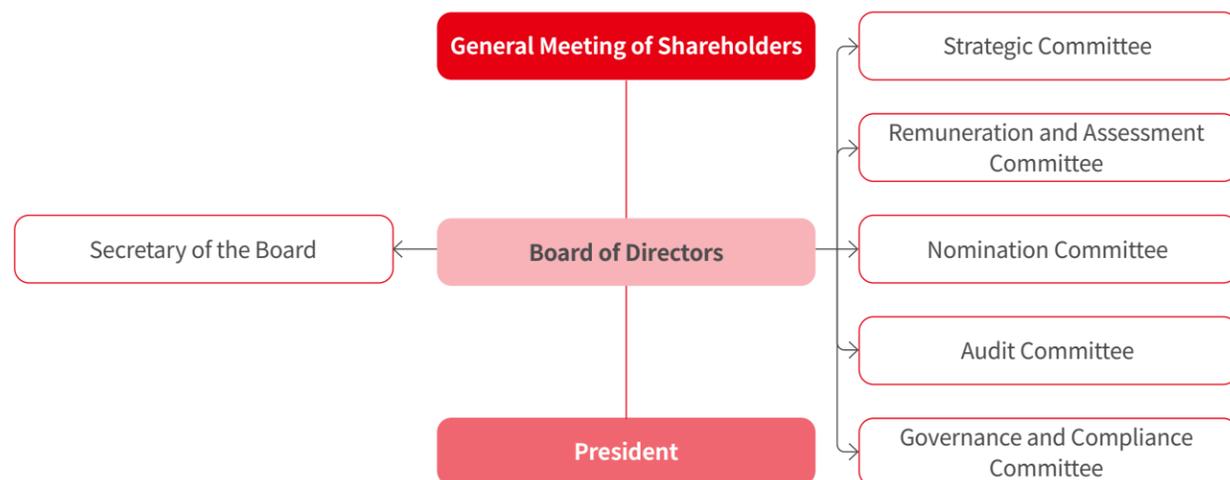
Efficient Governance System

Huaxin Building Materials Group strictly complies with laws, regulations and regulatory requirements such as the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Code of Corporate Governance for Listed Companies, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, and the Main Board Listing Rules. It has established a sound corporate governance structure and internal control system, creating a highly efficient operation and management pattern featuring transparent decision-making, regular supervision, and standardized management.

The company has clearly established a governance framework with the general meeting of shareholders as the highest authority of the company and the board of directors as the core executive body. As the highest decision-making authority of the company, the general meeting of shareholders exercises the ultimate decision-making power over major business management issues of the company in accordance with laws, regulations and the company's articles of association. It is the core means of safeguarding the rights and interests of shareholders. The board of directors, as the standing decision-making and executive body of the company, is assisted in its execution by the secretary to the board. The board of directors has set up a Strategy Committee, a Remuneration and Assessment Committee, a Nomination Committee, an Audit Committee, and a Governance and Compliance Committee. Each committee has clear responsibilities and authorities, ensuring the scientific, compliant and efficient decision-making of the company at the institutional level.

According to the relevant regulations of the China Securities Regulatory Commission, the company abolished the Board of Supervisors in 2025, and the Audit Committee of the company's Board of Directors exercises the functions and powers of the Board of Supervisors as stipulated in the Company Law. The "Rules of Procedure of the Board of Supervisors" were accordingly abolished, and the provisions regarding the Board of Supervisors and supervisors in the company's various rules and regulations are no longer applicable. The Audit Committee of the Board of Directors exercises the functions and powers of the Board of Supervisors, conducts comprehensive supervision over the legality and compliance of the company's business management activities, the authenticity of financial information, and the standardization of the performance of duties by directors and senior management, and effectively safeguards the overall interests of the company and the legitimate rights and interests of all shareholders. In addition, considering the actual situation of the company, we have revised and improved the corresponding provisions of the "Articles of Association", the "Rules of Procedure for the General Meeting of Shareholders", and the "Rules of Procedure of the Board of Directors".

In 2025, the company organized and held six general meetings of shareholders, thirteen board of directors meetings, and eighteen meetings of the special committees of the board of directors. Among them, there were two meetings of the Strategic Committee, 6 meetings of the Remuneration and Assessment Committee, three meetings of the Nomination Committee, six meetings of the Audit Committee, and one meeting of the Governance and Compliance Committee. Each of these meetings efficiently completed their scheduled agendas, providing solid governance support for the achievement of the company's annual business goals and the implementation of its strategies.



Remuneration Policy

To ensure the compliance and scientific nature of compensation decisions, the company has clearly specified that the Remuneration and Assessment Committee is composed of independent non-executive directors and non-executive directors. This committee supervises, reviews, and finally approves the determination process of the compensation for executive directors and senior management. On this basis, the company has specifically hired a professional and independent third-party compensation consulting team to participate in the entire process of analyzing and formulating the compensation plan. This ensures that the entire process of compensation determination and decision-making strictly adheres to the principles of fairness, justice, and transparency, effectively safeguarding the legitimate rights and interests of the company and all shareholders.

Huaxin Building Materials Group has established a dual-incentive system of salary and equity for directors and senior management, deeply integrating the interests of the management with the company's development to achieve win-win results in the same direction. The remuneration of non-executive directors is a fixed annual allowance approved by the general meeting of shareholders, while the remuneration of executive directors and senior management is formulated by taking into account market conditions, performance, job responsibilities, and the company's long-term development goals.

In the detailed design of incentives for the core management, this concept of differentiation is further implemented and refined. The company has not only defined an enterprise performance indicator system directly linked to the variable pay of the Chief Executive Officer, but also closely aligned incentives with the Company's core business objectives. At the same time, specific shareholding requirements have been specially set for the Chief Executive Officer and other core members of the Executive Committee. Through these dual measures of performance-based and equity-based binding, we strengthen the alignment of interests between the core management and the company's long-term development, and consolidate the foundation of incentives featuring shared responsibilities and benefits.

The company gives full play to the guiding role of compensation, integrating sustainable development performance into the executive compensation policy. The company assesses executives based on annual management task statements, and has established a sound long-term incentive mechanism. It links executive incentive arrangements to the company's performance and ESG performance, prompting the management to be diligent, responsible, and perform their duties in a standardized manner, and continuously improving the company's operation and management level as well as risk prevention and control capabilities.

Board Building

The company focuses on the standardized and professional construction of the board of directors. By making efforts in three dimensions: diversified empowerment, independence guarantee, and improvement of duty-performing capabilities, it continuously improves the board of directors' governance system, facilitating the company's standardized operation and long-term development.

The independence of the board of directors

Huaxin Building Materials Group ensures that the company's board of directors can make scientific and effective decisions and avoid conflicts of interest through independence-related systems and requirements. To fully guarantee the independence and professionalism of the board of directors' decisions, the company has specifically formulated the "Working System for Independent Directors", which requires independent directors to be loyal and diligent to the company and all shareholders, clearly defines the rights and responsibilities of independent directors, enabling them to express professional opinions from an independent stance and objective perspective, and providing strong professional support and supervision guarantee for the company's long-term strategic planning and standardized operation. During the reporting period, the board of directors consisted of nine directors, including two executive directors, four non-executive directors, and three independent non-executive directors, with independent non-executive directors accounting for 33.3%.



Requirements of the "Working System for Independent Directors" of Huaxin Building Materials Group

Requirements for the number of independent directors

- Not less than one-third of the total number of directors
- At least three
- At least one of them should be a professional accountant

- Members of the Audit Committee should be directors who do not hold senior management positions in the company. More than half of them should be independent directors, and the convener should be an independent director with accounting expertise.
- In the Remuneration and Assessment Committee and the Nomination Committee, more than half of the members should be independent directors, and the conveners should be independent directors.

Requirements for Nomination

- Individuals who have an interest in the Company or have a close relationship with the Company in other ways that may affect their ability to act independently shall not be nominated as candidates for independent directors.

Requirements for performing duties

- Independent directors can be re-elected, but their consecutive term of office shall not exceed six years.
- Submit a work report to the annual general meeting of shareholders.

Board Diversity

Huaxin Building Materials Group empowers the company's decision-making from multiple perspectives through the construction of board diversity. We have formulated internal systems such as the "Policy on Board Member Diversity" to actively build a diverse board of directors. When selecting candidates for the board of directors, the nomination and appointment of board members will be based on the principle of meritocracy, considering the daily business needs and the benefits of board member diversity. We comprehensively elect individuals with relevant business capabilities and professional backgrounds, including at least one professional accountant, to provide objective and professional advice to the company, enhancing the scientific soundness and fairness of decision-making.

While considering professional backgrounds and business capabilities, we also actively pay attention to other elements of board members, including but not limited to gender, race, language, cultural background, and industry experience, so that these elements can yield diverse and comprehensive perspectives for the company's future development. During the reporting period, there was one female director, accounting for 11.1% of the total number of board members.

Board of Directors Training



2025 Excellent Practice in Listed Companies' Board Offices

The company encourages directors to actively participate in various training programs organized by domestic regulatory authorities, so that board members can keep up with industry trends and regulatory requirements and effectively enhance their ability to fulfill their duties. In July 2025, newly appointed directors participated in relevant training required by the Stock Exchange.

During the reporting period, the company's board of directors, with its sound board system, excellent strategic decision-making and risk prevention and control capabilities, was awarded the "2025 Excellent Practice in Listed Companies' Board Offices". This is the third consecutive year that Huaxin Building Materials Group has received this honor.

Investor Relations Management

Centering on safeguarding the legitimate rights and interests of shareholders and investors, Huaxin Building Materials Group has established a comprehensive investor relations management system featuring "rights protection as the foundation, diversified communication as the bridge, and standardized disclosure as the support", continuously enhancing governance transparency and investor confidence.

Shareholder Rights Protection

Huaxin Building Materials Group has always regarded the protection of the rights and interests of shareholders and investors as an important part of corporate governance. Based on institutional development, it has established a comprehensive and standardized rights protection system, erecting a solid institutional barrier for the legitimate rights and interests of shareholders.

The company clearly defines in the "Articles of Association" all the core rights that shareholders enjoy according to law, covering key areas of rights such as the right to know, the right to vote, and the right to benefits. Through clear clause agreements, the exercise of shareholders' rights has rules and regulations to follow. At the same time, the company strictly adheres to the "Related-Party Transactions Management Rules", implementing full-process control over the decision-making, disclosure, and execution of related-party transactions to ensure fair transactions and compliant procedures, and effectively safeguarding the legitimate rights and interests of shareholders. In addition, to further optimize the process of protecting shareholders' rights and interests and enhance the standardization of governance, the company has specifically formulated a series of internal control documents such as the "Shareholder Communication Policy" and the "Rules of Procedure for the General Meeting of Shareholders", clarifying communication processes and refining meeting-handling standards to ensure that shareholders can participate in corporate governance conveniently and efficiently and fully exercise their legitimate rights.

Huaxin Building Materials Group attaches great importance to the role of minority shareholders in the company's development, continuously strengthens their right to participate and voice in corporate governance, and safeguards their legitimate rights and interests. To ensure the effective participation of minority shareholders in corporate governance, the company has established convenient and efficient channels for them to express their opinions and exercise their rights. Minority shareholders can participate in the general meeting of shareholders through diversified means such as on-site attendance or voting by communication, and independently express their views and exercise their legitimate voting rights on the company's operation, management, and major decisions according to law. In addition, in the core governance aspects of the company, minority shareholders have the right to participate in the election of company directors according to law. They can influence the composition of the company's core management team by participating in the election process, further enhancing their influence in the company's core decision-making process.

Investor Communication

Huaxin Building Materials Group continuously delves into investor relations management, focusing on building a diversified and multi-level investor communication and interaction system, and establishing convenient and efficient channels for investors to obtain information and express their demands.

The company has specifically set up three core communication ports: an investor reception hotline, the board secretary's mailbox, and the investor mailbox, ensuring timely and accurate responses to various questions and reasonable suggestions from investors. Meanwhile, the company takes the initiative to innovate communication forms. Through multi-dimensional scenarios such as on-site visit receptions, brokerage strategy meetings, performance conferences, roadshows, online earnings briefings, and Shanghai Stock Exchange e-interaction, the company regularly and comprehensively interprets to investors the company's business achievements, strategic development plans, and financial operation conditions. This comprehensively safeguards the right to know and the right to participate of all shareholders and potential investors, and continuously consolidates the foundation of investor trust.

<p>3 Number of Sessions</p> <p>Company regular report earnings releases/performance briefings</p>	<p>7 Number of Sessions</p> <p>Company regular report earnings results webinars</p>	<p>34 Number of Sessions</p> <p>On-site meetings with institutional investors, fund managers, and building materials industry analysts/researchers</p>
<p>37 Number of Sessions</p> <p>Participation in online/on-site securities market investment strategy conferences organized by securities companies</p>	<p>33 Number of Sessions</p> <p>Participation in telephone/online communication meetings with institutional investors organized by securities companies</p>	<p>24 Number of Sessions</p> <p>Overseas exchange visits by management</p>
<p>23 Number of Sessions</p> <p>Roadshows at institutional investor venues</p>	<p>40 Number of Sessions</p> <p>Responses to Company's investor email inbox</p>	<p>40 per month</p> <p>Investor hotline and WeChat calls</p>

Information Disclosure



Huaxin Building Materials Group adheres to relevant laws, regulations and regulatory requirements such as the Securities Law of the People's Republic of China and the Administrative Measures for Information Disclosure of Listed Companies, standardizes information disclosure, and safeguards investors' right to know. The company has also formulated internal systems such as the "Administrative Measures for Corporate Information Disclosure" and the "Investor Relations Management System", and continuously optimizes the whole-process management mechanism of information disclosure.

The company strictly follows the disclosure rules of the Shanghai Stock Exchange and the Hong Kong Stock Exchange, and orderly completes various information disclosure tasks, ensuring that investors can conveniently, timely and comprehensively obtain information related to the company's operation, development and major events. During the reporting period, the company completed the disclosure of four regular reports on the Shanghai Stock Exchange and the Hong Kong Stock Exchange respectively, issued 63 temporary announcements on the Shanghai Stock Exchange and 75 temporary announcements on the Hong Kong Stock Exchange; and simultaneously uploaded a total of 107 announcement documents (including the ESG report). All announcements were published in both Chinese and English versions. Through the standardized and efficient information disclosure in the two markets, we have effectively guaranteed investors' right to obtain information, and further enhanced the transparency and credibility of the company's governance.

During the reporting period, the company, thanks to its outstanding information disclosure, was honored with the "2024 Golden Information Disclosure Award" by China Securities Journal.

Fortifying Risk-Control Defenses

Huaxin Building Materials Group takes compliance with laws and regulations as the bottom line and risk control as the core, establishing a comprehensive risk and compliance management system. Through full-chain control, whole-process supervision, and all-staff penetration, it fortifies a solid safety barrier for the high-quality development of the enterprise.

Adhere to Law Abiding and Compliance

Compliance Review

Huaxin Building Materials Group takes the construction of a full-chain, regularized and all-staff compliance management system as the core, deeply integrates compliance requirements into all aspects of operation and management, and effectively safeguards the stable development of the enterprise with high-standard compliance management.

Compliant operation is the lifeline of the stable development of Huaxin Building Materials Group. The company embeds full-process compliance review into the core links of operation and management. Before the implementation of all business activities such as investment and mergers & acquisitions, and external cooperation, the legal department must conduct in-depth compliance inspections. The inspection content includes not only the fair competition review of investment and mergers & acquisitions projects, but also the review of the qualifications, credit and other compliance backgrounds of external trading partners, eliminating compliance risks at the source.

In order to build a dynamically adaptable compliance management ecosystem, the company has established a regular compliance management evaluation mechanism that closely follows the changes in the market environment and the requirements of the latest laws and regulations, and iterates the optimization of the existing compliance system. In 2025, the company carried out compliance checks on 12 subsidiaries, formed detailed compliance check reports, and supervised the rectification of the discovered problems, further improving the compliance management level of the subsidiaries. At the same time, the company carried out compliance reviews, including the review of more than 21,000 non-standard contracts, the approval of 234 industry association activities, and the review of 120 documents for compliance.

Tax Compliance

In the field of tax compliance, Huaxin Building Materials Group sets an industry benchmark with high-standard compliance management. The company strictly adheres to national tax laws and regulations, formulates and publicly releases the "Tax Policy Statement" to standardize the full-chain tax management process. The company has established a professional tax management team, covering multiple aspects such as research and interpretation of tax-related policies, legal tax planning, tax risk early-warning assessment, and full-process monitoring of tax-related businesses. By closely tracking the dynamics of tax policies and accurately implementing tax management requirements, the accuracy and efficiency of the company's tax work have been continuously improved. In 2025, Huaxin Building Materials Group had a tax credit rating of A, and did not establish entities or engage in related trading activities in any tax havens.

Compliance Training

To deeply embed the concept of compliance in the hearts of employees, the company focuses on building a compliance culture system involving all employees. In 2025, the company concentrated on three high-risk areas: contract management, human resources risks, and anti-monopoly, meticulously organizing a total of twelve class-hours of special compliance training. Through systematic and targeted cultivation of compliance awareness, it helps employees accurately master compliance requirements and enhance their risk prevention capabilities.

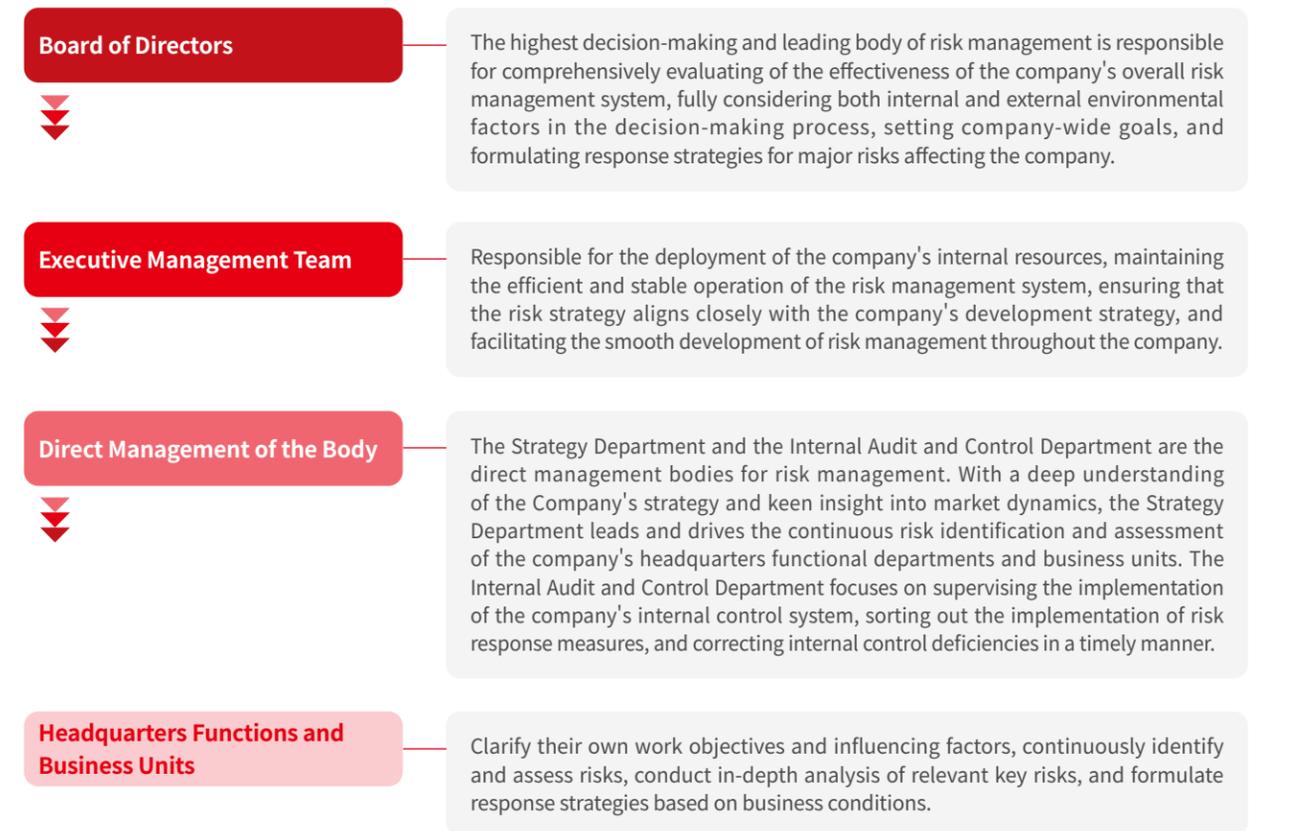
Strengthen Risk Management

Huaxin Building Materials Group adheres to the concept of comprehensive risk management. From aspects such as clear demarcation of risk management rights and responsibilities, process optimization, and iterative supervision, it constructs an all-round institutional restraint system, achieving a management and control pattern where "everything is supervised and everyone has specific responsibilities."

Improve Risk Governance

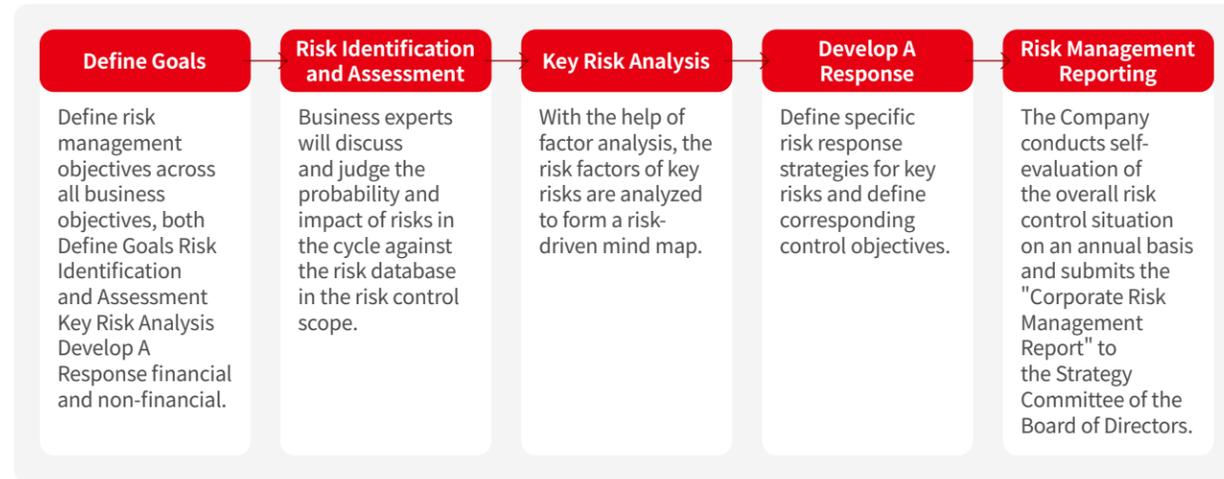
Huaxin Building Materials Group has established a rigorous risk governance framework to coordinate the company's risk prevention and control. The board of directors serves as the highest decision-making and leading body, and each functional department and business unit formulates risk response strategies based on the actual business situation.

Risk Governance Structure



Huaxin Building Materials Group takes full-process control as the starting point, establishing a management closed-loop consisting of "defining objectives, risk identification and assessment, key risk analysis, formulating countermeasures, and risk management reporting", injecting the dual driving forces of systematicness and high efficiency into risk management work.

Risk Management Process



Based on the dynamic changes in its internal and external operating environment, the Company has established an annual rolling update mechanism for its risk database to precisely define and classify various risk factors. The current risk database encompasses three core segments: strategic risks, operational risks, and external risks. In 2025, the Company's overall risks remained controllable, with no major risk incidents occurring, and the risk control system operated smoothly and effectively.

Risk Type



Optimize Internal Control Management

Internal control management serves as the cornerstone for the Company's stable operation and long-term development. Guided by the "Internal Control System", Huaxin Materials Group continuously refines its internal control framework, optimizes internal control management mechanisms, and anchors its efforts on the core objective of enhancing the effectiveness of internal control implementation, thereby advancing internal control work in a thorough and substantive manner.

The Company focuses on the daily supervision of the implementation of key control activities across all units. By combining regular guidance with specialized training, it comprehensively enhances the ability to perform duties of internal auditors in each unit, guiding them to carry out internal control supervision within their respective units with precision. Concurrently, leveraging digital tools and its internal control management platform, the Company provides dynamic reminders and real-time supervision over the implementation of key control activities in each unit, ensuring that the daily execution of these critical controls complies with established standards.

To establish a closed-loop internal control management system, the Company has instituted a regular and ongoing internal control self-assessment mechanism. Annually, it organizes all operating units to conduct comprehensive self-inspections and in-depth evaluations of key control activities. For any identified issues and deficiencies, targeted corrective action plans are formulated, and their implementation is tracked and supervised throughout the entire process, thereby ensuring the effective operation of the internal control system. Furthermore, the Company actively promotes the automation of control activities by introducing cutting-edge information technology to empower internal control management. This significantly enhances the efficiency and precision of internal control work, steadily advancing internal control management towards a more systematic, rule-based, and standardized approach.

In 2025, the effective implementation rate of the Company's key control activities reached 89%, and it has received unqualified opinions on its internal control audit reports from accounting firms for fifteen consecutive years. Through regular inspections and scientific evaluations of key control activities, the Company promptly identifies and resolves issues in the design and execution of internal controls, continuously improving its management and control measures. This effort safeguards the compliant operation and risk control across the entire business chain.

Deepening Audit Supervision

Internal audit serves as a crucial instrument for Huaxin Building Materials Group to ensure compliant operations and prevent operational risks. Guided by robust system development, the Company has systematically clarified the organizational structure, authority boundaries, and business scope of its internal audit function, ensuring that audit supervision covers the entire production and operation chain and every segment.

Adhering to risk assessment as its fundamental principle, the Company formulates and rigorously implements forward-looking audit plans, ensuring that audit work maintains independence, objectivity, and timeliness throughout the process. It conducts precise supervision over the Company's significant economic activities, thereby providing a high-quality reference basis for management's scientific decision-making. To weave a tighter oversight network, the Company promotes deeper collaboration and synergy between internal audit and other supervisory functions, forming a comprehensive, multi-layered supervisory force that fortifies the company's barrier for compliant and stable operations.

In 2025, the Company completed audits on the implementation effectiveness of key control activities for 26 subordinate units, comprehensively verifying the tangible results of the internal control system. Targeting high-risk business areas such as procurement, sales, and logistics, the Company deployed 20 business process audits, conducting in-depth examinations and reviews of risk points across the entire process. Regarding various internal control weaknesses revealed by the audits, the Company paid close attention and diligently urged relevant responsible units to implement corrective actions within a set timeframe, ensuring that improvement measures are effectively implemented. This, in turn, achieves a dual enhancement of risk management capabilities and the operational effectiveness of internal controls.

Strengthening Risk Culture Cultivation

Huaxin Building Materials Group consistently regards the cultivation of a risk culture as a critical component in building its risk management system, continuously promoting the deep integration of internal control and business process risk management requirements across all units. In 2025, the Company promoted and implemented internal control standards in two new operating units. Focusing on internal control theoretical frameworks and typical practical cases, the Company organized a total of 50 specialized training sessions for various units, systematically sorting out potential risk points and corresponding countermeasures within business processes. Concurrently, the Company continuously expanded its communication channels, utilizing internal bulletins, knowledge competitions, special meetings, and other formats to enhance employees' initiative in learning. This continuously improves the ability of personnel at all levels to identify business risks and heightens their awareness of prevention and control, thereby deeply promoting risk management concepts.

Upholding Business Ethics

"Integrity in Conduct, Impartiality in Duty, and Transparency in Operations" constitute the core values upheld by Huaxin Building Materials Group. Focusing on the central task of fostering integrity and honesty, the Group advances the construction of a clean enterprise comprehensively by combating corruption as its driving force, leveraging a whistleblowing mechanism as its safeguard, supporting efforts through education and internalization, and targeting capability enhancement as its goal.

Fortify the Integrity Defense Line

The Company consistently upholds the highest standards of ethical conduct, deeply embedding the principles of integrity and self-discipline into every link and segment of the entire chain of production, operation, management, and decision-making, thereby fostering a clean and upright corporate operating environment. To fortify the defense line of integrity and implement anti-corruption responsibilities, the Company has established and continuously iterates a comprehensive and rigorously controlled system of business ethics and anti-corruption policies. These binding institutional frameworks guide managers at all levels and all employees to strictly adhere to disciplinary red lines and uphold professional ethics. In 2025, the Company experienced no litigation incidents related to corruption, bribery, or unfair competition.

In strict compliance with national laws and regulations, Huaxin Building Materials Group has formulated and promulgated the "Anti-Bribery and Anti-Corruption Code of Conduct", which brings all employees, management, and members of the Board of Directors within its regulatory scope. Centered on clarifying job responsibilities, this policy emphasizes that all personnel must adhere to compliance bottom lines, proactively resist and report violations. It systematically defines behavioral boundaries, approval authorities, and prohibited scenarios for key matters such as commercial bribery, gifts and entertainment, expediting fees, charitable donations, and conflicts of

interest. Concurrently, the Company has established a normalized operating mechanism encompassing violation reporting, whistleblower protection, specialized training, and supervision and evaluation to ensure the rigid implementation of the policy. By embedding anti-corruption defense lines comprehensively across all operational links, Huaxin is committed to maintaining the integrity and transparency of its business activities, safeguarding corporate reputation and legitimate rights and interests, and driving the Company towards steady and long-term development on a compliant and lawful track.

In addition, the Company has formulated a series of anti-corruption policies, including the "Anti-Bribery and Anti-Corruption Regulations", the "Implementing Rules for Gifts, Entertainment, Donations, and Sponsorships" and the "Detailed Rules for Internal Discipline Inspection and Supervision Case Handling and Sanctions". These measures strengthen integrity in professional conduct and compliant operations management, effectively preventing operational risks.

To continuously deepen the establishment of a "Clean Huaxin," the Company convened the "Clean Huaxin" Creation Mobilization and Deployment Meeting in 2025, closely aligning with production and operation goals, and commending advanced models. The Company rigorously enforced the responsibilities for "dual accountabilities" and the "primary responsible person" at all levels, ensuring that integrity building and business operations are planned, implemented, and assessed concurrently. Furthermore, the Company facilitated the signing and acknowledgment of annual responsibility agreements for integrity building and clean enterprise creation by over 3,500 leading cadres, solidifying the responsibility chain through tier-by-tier transmission and full coverage, and striving to establish a closed-loop accountability system where "each level takes charge of the level below, ensuring implementation at every tier."

As of December 31, 2025, to accurately assess and promptly identify bribery and corruption risks within its business activities, the Company launched a major supervision and inspection of its mining operations, completing special inspections of mines across 31 units.

Improve the Whistleblowing Mechanism

Huaxin Building Materials Group continuously optimizes its reporting mechanism and expands reporting channels, encouraging employees, partners, and the public to provide clues related to corruption issues conveniently and efficiently. The Company places high importance on the protection of whistleblowers, having formulated relevant whistleblower protection policies and strict confidentiality systems to ensure that whistleblower information is not disclosed, safeguarding their safety and privacy.

We have formulated the "Administrative Measures for the Disposal of Clues on Petition Reports" and proactively enhanced the reporting channels on the homepage of the Company's official website. We have established a "Clean Huaxin · One-Click Supervision and Reporting" platform, developed an integrated reporting system encompassing "online, telephone, mail, and in-person visits," and opened multiple reporting portals including telephone hotlines, email addresses, and online reporting platforms, thereby smoothing the complaint and reporting mechanism. During the reporting period, the Company received 67 clues on issues throughout the year, terminated labor contracts with 6 individuals for policy violations.

Whistleblowing Channels

Telephone Reporting
027-87773971



Email Whistleblowing
jj@huaxin.com



Online Whistleblowing
Clean Huaxin WeChat Official Account



Mail and In-person Visit Whistleblowing
Huaxin Building, No. 426, Gaoxin Avenue, Donghu New Technology Development Zone, Wuhan, Hubei Province
Postal Code: 430073, Supervision Office of Huaxin Building Materials Group Co., Ltd.



Strengthen Integrity Education

Huaxin Building Materials Group insists on making integrity culture cultivation a crucial pillar of its corporate governance, normalizing its development and continuously deepening the integration of integrity concepts to comprehensively enhance the sense of discipline among all employees. To fortify the ideological defense line for all staff, the Company regularly organizes integrity-themed training, warning education sessions, and anti-bribery and anti-corruption work seminars. Through leadership-led instruction, targeted warnings for key positions, and summaries of supervision and inspection results, every employee gains a clear understanding of the serious harm and far-reaching impact of disciplinary and policy violations, and consciously adheres to the baseline of integrity in their professional conduct. Concurrently, the Company actively utilizes various formats such as the "Clean Huaxin" WeChat official account, holiday reminders, and integrity posters to conduct subtle and permeating education, continuously fostering a clean and upright team atmosphere.



In 2025, the Company conducted a total of 752 anti-corruption training sessions, covering various forms such as case-based warning education sessions, article releases on the "Clean Huaxin" WeChat official account, holiday integrity reminders, and integrity posters. Anti-corruption training recorded 3,178 participant attendances, with an average of 88.9 training hours per participant. A total of 754 members of management received anti-bribery and anti-corruption training, achieving 100% full coverage.



Organized 754 leading cadres to complete the reporting of personal matters.
Conducted integrity reviews for the promotion and commendation of 307 employees.
Utilized the "first form" of discipline to criticize, educate, and assist cadres and employees on 27 occasions.



Published 46 editions of the "Clean Huaxin" column featuring 114 articles, with a cumulative total of 37,000 forwards and views.
Produced a video documenting the 2024 "Clean Huaxin" creation efforts.
Established an Integrity Culture Corridor displaying integrity mottos, exemplary advanced deeds, and anti-corruption warning cases.



The Company's Supervision Office actively implemented the initiatives for the "Year of Standardization, Rule of Law, and Professionalization" deployment.

Case

Integrity Education for Huaxin Leading Cadres



Huaxin Leadership Warning Education Conference

In 2025, the Company's President Li Yeqing took the lead by delivering three special integrity-themed lectures, while the Discipline Inspection Commission Secretary delivered five integrity lectures. The "heads" of each unit and members of the leadership teams conducted 87 integrity-focused investigations and discussions, fostering a strong atmosphere of respecting, discussing, and upholding integrity.

The Company held its inaugural "Warning Education Activity for Heads," attended by 52 key personnel. The activity strengthened ideological guidance through sessions including integrity lectures, analysis of typical cases, and interpretation of confession letters. Participants were also organized for an up-close warning education visit to Chongqing Yudu Prison. Leading cadres at all levels expressed their commitment to strictly abide by discipline and rules, rigorously manage their respective jurisdictions, and build a barrier of integrity to support the implementation of the Company's globalization strategy.

02 Practicing Green Operations to Fulfill Our Environmental Responsibility

The Company thoroughly implements the national requirements for ecological civilization development, comprehensively advances cleaner production, and continues to build green plants, promoting ecological sustainability through concrete actions. We systematically assess our dependence on the natural environment and our potential impacts on it, with a focus on areas such as pollution and waste management, resource utilization and conservation, circular economy development, and biodiversity protection. In these areas, we identify relevant risks, seize transformation opportunities, and work together with value chain partners to promote the protection and restoration of natural ecosystems.

- 27 Tackling Climate Change
- 36 Advancing Green Products
- 38 Optimizing Resource Efficiency
- 42 Preserving a Clean Ecosystem

Contribute to SDGs



Tackling Climate Change

Huaxin Building Materials Group has fully integrated the principles of green and low-carbon development into its management strategy. With reference to the recommended framework of the Task Force on Climate-related Financial Disclosures (TCFD), the Company has systematically carried out the identification, assessment, and response of climate-related risks and opportunities, continuously enhancing its overall management capacity in the context of climate change and promoting green, low-carbon, sustainable, and high-quality development.

Governance

To systematically address the challenges of climate change, the Company has established a climate governance system centered on the Carbon Asset Management Committee. In routine management, the Sustainable Development Department submits monthly carbon asset management reports to the Committee and prepares special reports on major issues on an ad hoc basis. The Committee holds regular quarterly meetings to review the progress of relevant projects and promote the deep integration of climate change management into the Company's business operations. Meanwhile, the Sustainable Development Department collects data from subordinate plants on a monthly basis and conducts consolidated assessments of the carbon emission intensity of clinker and cement.

The Company requires members of the Carbon Asset Management Committee and the Sustainable Development Department to stay continuously informed of policy developments in the national carbon market, actively participate in discussions on industry standards, and develop strong full-process management capabilities in carbon accounting, verification, emissions trading, and compliance fulfillment. To this end, Huaxin Building Materials Group regularly organizes specialized training on carbon asset management, flexibly adopting a combination of online and offline formats to promptly communicate the latest national policy directions and the Company's internal institutional requirements, while encouraging all units to actively participate in relevant professional training organized by government authorities.



Strategy

Climate change poses dual challenges to the financial position of Huaxin Building Materials Group. On the one hand, the increasing frequency of extreme weather events may give rise to physical risks such as production disruptions, supply chain interruptions, and asset damage. On the other hand, transition risks arising from climate change — including market shifts, technology substitution trends, and changing market preferences regarding corporate reputation — may also have a profound impact on the Company's operations. In response, the Company adheres to the principle of "making steady progress while advancing proactively," closely monitors climate trends, and systematically implements short-, medium-, and long-term response strategies.

Climate Scenario Analysis

With reference to the scenario settings of the International Energy Agency (IEA), Huaxin Building Materials Group adopted a qualitative analysis approach to systematically assess the risks and opportunities faced by its operations in mainland China under different warming scenarios. The analysis developed assumptions around the following dimensions: at the macroeconomic level, key indicators reflecting the overall health of the regional economy, including economic growth, inflation, and exchange rates; at the business level, factors such as the regional distribution of operations, the relationship between business activities and the external environment, and business sustainability; at the energy system level, factors including the use of renewable energy, clean energy substitution, and energy storage and conversion; and at the technology development level, with a focus on the development of carbon capture, utilization and storage (CCUS) technologies and progress in the research and development of low-carbon and environmentally friendly building materials.

Scenario	Estimated temperature increase of approximately	Description
Stated Policies Scenario (STEPS)	2.5° C by the end of the century	This scenario assumes that no new policies will be introduced and projects future energy development solely based on existing policies. Under this scenario, greenhouse gas emissions continue to rise, and the likelihood of physical risks increases significantly.
Announced Pledges Scenario (APS)	1.8° C by the end of the century	This scenario assumes that all climate pledges made by governments around the world are fulfilled in full and on schedule. Under this scenario, physical risks and transition risks remain at a relatively balanced level.
Net Zero Emissions Scenario by 2050 (NZE)	1.5° C by the end of the century	This scenario assumes achieving net zero emissions by 2050, aligning with the goal of limiting global warming to 1.5° C. Under this scenario, the probability of transition risks resulting from an accelerated transition will outweigh that of physical risks.

In this climate scenario analysis, we comprehensively assessed the likelihood of various climate-related risks and opportunities and systematically classified them into three categories: low probability, medium probability, and high probability. The scope of this assessment focused on all plants and operating sites of the Company in mainland China and did not yet cover its overseas operations. Details are as follows:

Type		Stated Policies Scenario (STEPS)	Announced Pledges Scenario (APS)	Net Zero Emissions Scenario (NZE) by 2050
Physical Risk	Extreme weather	● (High)	● (Medium)	● (Low)
	Tightening national policies and enhanced regulation	● (Low)	● (Medium)	● (High)
Transition Risk	Underdeveloped decarbonization technologies	● (Medium)	● (High)	● (Medium)
	Reputational risks arising from high emissions and greenwashing	● (Low)	● (High)	● (High)
Opportunity	Revenue opportunities from green products	● (Low)	● (Medium)	● (High)
	Competitive advantages from improved energy efficiency	● (High)	● (High)	● (High)

● High probability ● Medium probability ● Low probability

Climate Impact Analysis

Based on the completion of climate risk identification and scenario analysis, we conducted an assessment of the impacts of climate-related risks in light of the Company's physical assets, including office buildings, plants, mines, and warehouses. At the same time, we incorporated the overall impacts of various risks and opportunities on business operations into the analytical framework, and assessed risks and opportunities across three time horizons: short term (2025–2026), medium term (2027–2030), and long term (2031–2050).

Given that most of Huaxin Building Materials Group's assets are located in open, ground-level environments and are therefore directly exposed to the impacts of climate change, the Company identified five value chain segments that are particularly vulnerable to climate-related impacts, taking into account its operational characteristics and industry features. Based on these segments, we carried out a specific analysis of business impacts and assessed the potential challenges and transition opportunities they may present across different time horizons.



Physical Risk	Extreme Weather	Impact Time	Short-term	Medium-term	Long-term
Affected Asset Types	Affected Business Types	Affected Value Chain Link			
Office buildings, mines, plants, warehouses	Cement manufacturing, waste disposal, concrete aggregate manufacturing, equipment and engineering manufacturing	Inward logistics, outward logistics, operation			
Current Financial Impact	Projected Financial Impact	Countermeasures			
<ul style="list-style-type: none"> Extreme weather conditions may disrupt the collection and transportation of cement raw materials, thereby increasing operational costs. Downstream construction projects are highly susceptible to extreme weather events such as heavy rain or snowstorms, which may lead to work stoppages and financial losses for the company. Frequent floods can damage plant equipment, leading to increased maintenance costs. 	<ul style="list-style-type: none"> Extreme weather may trigger safety hazards in outdoor operations (such as deteriorated site conditions, employee health risks, etc.), leading to employee injuries and subsequently increasing the company's medical compensation and operational costs. The limited operation of assets during the extreme cold period caused the loss of income. 	<ul style="list-style-type: none"> The company provides each client with concrete usage manuals. For extreme weather conditions like summer, winter, or high temperatures with rain/snow, it proactively communicates construction plans in advance, conducts technical briefings, and issues contact letters to minimize the impact of extreme weather on products. In response to extreme weather, the plant promptly adjusted the concrete mix design and production process to meet on-site requirements. The company is continuously expanding its integrated operations to achieve full industrial chain integration, thereby mitigating climate change impacts from upstream and downstream sectors. The mine and its power supply network should be designed to resist the low temperature weather conditions such as continuous freezing and blizzard. 			

Huaxin Building Materials Group Value Chain

Inbound Logistics



- Major raw materials for cement production, such as limestone and calcareous stone, are transported to nearby plants by heavy-duty vehicles.
- Raw materials are efficiently stored and managed through intelligent monitoring equipment.

Operations



- Processing of raw materials, including the core stages of cement production known as "two grindings and one firing," namely raw meal grinding, clinker calcination, and cement grinding.
- Construction of cement plants or infrastructure and maintenance of equipment to ensure efficient plant operations.

Outbound Logistics



- Transportation of finished cement products from plants to distributors and retailers.
- Warehousing management of finished products.
- Disposal of waste generated in daily operations.

Marketing and Sales



- Promotion of product sales through market segmentation, pricing strategies, channel optimization, and brand building.

Service



- Participation in the later-stage maintenance of projects undertaken by downstream construction companies.
- Provision of service support to customers after product sales and the conduct of customer satisfaction surveys.
- Collection of customer feedback data for product optimization.

Transition Risk

Tightening of national policies and strengthening of supervision

Impact Time



Affected Asset Types	Affected Business Types	Affected Value Chain Link
Plants, mines	Cement manufacturing, concrete aggregate manufacturing, equipment and engineering manufacturing	Service
Current Financial Impact	Projected Financial Impact	Countermeasures
<ul style="list-style-type: none"> The tightening of national carbon emission policies and strengthened supervision will compel companies to invest more in energy-efficient equipment procurement and environmental training programs. 	<ul style="list-style-type: none"> With the development of China's carbon market and emissions trading system, carbon pricing has imposed additional cost pressures on enterprises. Stringent environmental regulations will increase the company's exposure to environmental litigation, thereby raising additional fine costs. 	<ul style="list-style-type: none"> The company actively monitors updates in national environmental regulations and industry policies, and promptly implements corresponding measures. The company conducted carbon market analysis, continuously followed up and studied the carbon quota accounting methods and carbon trading rules at the national, provincial, and municipal levels, as well as the China Certified Emission Reduction (CCER) offset mechanism. It analyzed and predicted carbon market price fluctuations, formulated unified carbon trading strategy recommendations, and provided support for the committee's decision-making. The company has established and implemented the "Carbon Asset Management Measures" to create standardized mechanisms for carbon asset identification, accounting, operation, and trading. This initiative aims to enhance carbon resource management efficiency, promote standardized management of carbon assets, increase their value, and strengthen risk prevention and control.

Transition Risk Emission reduction technologies are not yet mature **Impact Time** Short-term Medium-term

Affected Asset Types	Affected Business Types	Affected Value Chain Link
Plants, mines	Cement manufacturing, concrete aggregate manufacturing	service
Current Financial Impact	Projected Financial Impact	Countermeasures
<ul style="list-style-type: none"> The company will ramp up R&D for CCUS, co-processing of alternative fuels, and optimized kiln head burner upgrades, which will lead to a sharp increase in R&D costs in the near term. 	<ul style="list-style-type: none"> Current emission reduction technologies exhibit certain uncertainties. For instance, CCUS technology remains in the exploratory R&D phase and has not yet been widely adopted. From an investment perspective and in terms of emission reduction efficacy, this technology carries inherent risks. Should the technological R&D outcomes fail to achieve commercialization, it may result in economic losses for the company. 	<ul style="list-style-type: none"> The company has systematically reviewed emission reduction technologies and identified emission potentials across all carbon emission nodes, covering the entire process from mining and raw material intake to clinker production, waste disposal, cement manufacturing, and waste heat recovery. We will accelerate the industrialization of green technologies and continue promoting our proprietary green product systems, including grinding aids and dry-mix mortar, in overseas markets.

Transition Risk Reputation Risk Caused by High Emission and Greenwashing **Impact Time** Short-term Medium-term

Affected Asset Types	Affected Business Types	Affected Value Chain Link
Office buildings, mines, plants, warehouses	Cement manufacturing, concrete aggregate manufacturing	Marketing and Sales, Services
Current Financial Impact	Projected Financial Impact	Countermeasures
<ul style="list-style-type: none"> The downstream construction industry is imposing increasingly stringent environmental standards on products like cement, concrete, and wall materials. High-emission cement products not only tarnish brand reputation but also negatively impact corporate revenue. 	<ul style="list-style-type: none"> Greenwashing may cause suppliers and investors to doubt the integrity of the company, which may change their investment decisions or terminate their cooperation with the company. 	<ul style="list-style-type: none"> In accordance with the company's carbon reduction roadmap and objectives, this report discloses progress externally. The company regularly updates and refines its Low-Carbon Development White Paper based on national policies, industry standards, and advancements in key carbon reduction technologies.

Opportunities Income from green products **Impact Time** Long-term

Affected Asset Types	Affected Business Types	Affected Value Chain Link
Office buildings, mines, plants, warehouses	Cement manufacturing, concrete aggregate manufacturing	Marketing and Sales, Services
Current Financial Impact	Projected Financial Impact	Countermeasures
<ul style="list-style-type: none"> Align with China's national 'dual carbon' goals to mitigate the risk of additional costs arising from excessive carbon emissions or environmental violations. Meeting the downstream construction industry's demand for eco-friendly products will help boost the company's market share. 	<ul style="list-style-type: none"> To meet the growing demand for eco-friendly products among consumers, the company will further expand its market share and drive revenue growth. 	<ul style="list-style-type: none"> Research on emission reduction technologies/products including CO₂ mineralization low-calcium clinker for concrete production, cement-based aerogel ultra-lightweight and super-insulating materials, and carbonization standards. Certification of low-carbon products for 42.5 and 52.5 grade ordinary Portland cement meets consumers' preference for eco-friendly products. Huaxin Packaging Company uses eco-friendly oil-based inks in its products, enabling the packaging materials to be recycled and reused, thereby reducing waste generation.

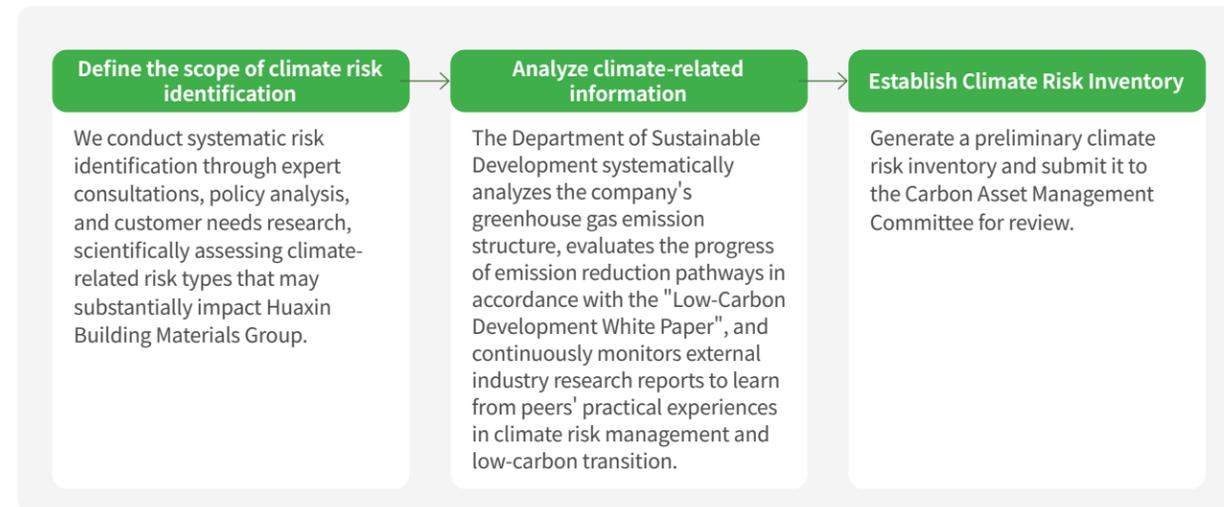
Opportunities Competitive advantage brought by energy efficiency improvement **Impact Time** Short-term Medium-term Long-term

Affected Asset Types	Affected Business Types	Affected Value Chain Link
Office buildings, mines, plants, warehouses	Cement manufacturing, concrete aggregate production, waste disposal	Service
Current Financial Impact	Projected Financial Impact	Countermeasures
<ul style="list-style-type: none"> Optimizing the energy management system and upgrading the production equipment can reduce energy consumption and control production costs. 	<ul style="list-style-type: none"> Comply with government requirements for energy conservation and carbon reduction, and avoid fines and penalties resulting from non-compliance. 	<ul style="list-style-type: none"> The heating control mode of the color oven is upgraded from potentiometer to thermostat, which can realize precise temperature control and reduce energy waste. The storage device is added to the laminating machine, which can shorten the time of changing roll and stop the machine, improve the continuous operation efficiency of the equipment, and reduce the energy consumption of unit product. The high efficiency and low nitrogen combustion technology is used, and the intelligent control system is combined to realize the fine regulation of the coal burning process and improve the thermal efficiency of coal burning; The fuel and material feeding position and method of the decomposition furnace are precisely controlled to improve the fuel utilization efficiency and reduce the overall heat consumption of the system.

Management of Impacts, Risks and Opportunities

We conduct regular and systematic assessments of climate-related risks and opportunities, taking into account both their likelihood and the extent of their substantive impacts on finance and operations. With reference to the climate-related disclosure requirements set out in Appendix C2 to the Main Board Listing Rules of the Hong Kong Stock Exchange, the Company has developed climate risk management procedures covering risk identification, assessment, and management, and incorporated them into the Company's overall risk management system. Through quarterly comprehensive management meetings, the Company conducts regular oversight and discussion of relevant topics, including greenhouse gas emissions.

Climate Risk Identification Process



Risk Assessment of Climate



Risk Priority

The risk priority is determined by the evaluation results of the four dimensions of "impact degree, adaptability, resilience and possibility", which is used as the basis for resource allocation and coping strategies.

Metrics and Targets

Based on a systematic analysis of the Company's internal and external environment, we have established carbon emission management targets and a low-carbon transition plan, on which we base annual carbon reduction actions and performance evaluations to ensure the effective fulfillment of the Company's carbon reduction commitments. The Company has established a monthly carbon emission data collection, monitoring, and feedback mechanism, and conducts on-site assessment audits for kiln-line plants at least once every two years to continuously optimize energy efficiency and improve emission management. Progress toward various carbon reduction targets is shown below:

Reduce Carbon Emissions



Target



Progress

By 2030, the company's CO₂ intensity per ton of cement (Scope 1) will be reduced to 475 kg.

During the reporting period, the direct CO₂ emission intensity per ton of cement produced by domestic kiln lines reached 589 kg.

By 2030, the direct CO₂ emission intensity per cubic metre of concrete (Scope 1) will be reduced to 124 kg.

During the reporting period, the direct CO₂ emission intensity per cubic meter of concrete was 140 kg.

By 2030, the company's carbon dioxide emissions per unit of revenue will be reduced by over 70% compared to 2005 levels.

During the reporting period, the Company's carbon dioxide emissions per million RMB of revenue were 7.67 tons, a decrease of 73.73% compared to 2005.

Alternative Fuel Energy



Target



Progress

By 2030, the share of alternative fuels in primary energy consumption will exceed 25%.

During the reporting period, alternative fuel energy accounted for 19.5% of primary energy consumption in domestic kiln lines; on a consolidated group basis (including overseas operations), this figure reached 14.9%.

A total of 10.5 billion yuan is planned to be invested between 2020 and 2030 for R&D of carbon emission reduction technologies and upgrading of production systems.

A cumulative total of RMB 6.308 billion has been invested from 2020 to 2025.

Huaxin Building Materials Group strictly follows the "Accounting and Reporting Requirements for Carbon Emission — Part 8: Cement Production Enterprises" (GB/T 32151.8-2023), the Guidelines for Accounting Methods and Reporting of Greenhouse Gas Emissions of Chinese Cement Production Enterprises (Trial), and the "Carbon Asset Management Measures" of Huaxin Building Materials Group in carrying out internal accounting and external verification of greenhouse gas emissions. In 2025, all domestic kiln-line plants of the Company completed reporting on the carbon emission data platform designated by the Ministry of Ecology and Environment and cooperated with provincial and municipal authorities in completing the annual carbon emission verification. The verification scope covered the clinker process segments involved in compliance accounting, mainly including emissions generated from fuel combustion, industrial production processes, and purchased electricity consumption. During the same period, in the first compliance year of the cement industry's inclusion in the national carbon market, all 42 kiln line units under Huaxin Materials achieved a 100% compliance rate.

Indicator	Unit	2023	2024	2025
Scope 1 greenhouse gas emissions	tons of CO ₂ equivalent	30,529,686	27,565,025	25,736,561
Scope 2 greenhouse gas emissions	tons of CO ₂ equivalent	1,655,014	1,523,855	1,363,618
Total Scope 1 and 2 GHG emissions	tons of CO ₂ equivalent	32,184,699	29,088,880	27,100,179
Annual greenhouse gas emission reductions	tons of CO ₂ equivalent	/	3,095,819	1,988,701
Greenhouse gas emissions per unit of clinker product (Scope 1)	kg of CO ₂ equivalent / tons of clinker production	793.37	791.55	802.45
Greenhouse gas emissions per unit of clinker product (Scope 2)	kg of CO ₂ equivalent / tons of clinker production	17.14	17.64	16.73
Greenhouse gas emissions per unit of operating revenue for clinker product	tons of CO ₂ equivalent/10,000 yuan	10.30	8.94	8.35

Note: From 2025 onwards, the Company's greenhouse gas emission (both Scope 1 and Scope 2) accounting coverage has been expanded from clinker production processes to domestic cement production processes. To ensure data comparability, historical data for 2023 and 2024 have been retrospectively adjusted according to this domestic cement process scope.



Advancing Green Products

Huaxin Building Materials Group upholds a green, low-carbon development strategy, is committed to developing environmentally friendly products, and explores innovative technologies and materials to contribute to achieving the dual-carbon goals. Through technical guidance, business promotion, product introduction, skills training, and other means, the Company provides technical services to industrial parks and plants within the Group and gradually expands support for overseas plants, continuously promoting the wider market application of green products such as Huaxin grinding aids and mortar.

In 2025, the Company's Technical Research Institute made phased progress in green product R&D around the goal of green and low-carbon development, as detailed below:

- The concrete R&D team conducted research on concrete technology using CO₂-mineralized low-calcium clinker, aiming to use CO₂ in cement kiln tail gas for curing and carbon sequestration and to develop green and low-carbon building materials. At the same time, the team continued to optimize the technical system for "three-low concrete" (low cement dosage, low water consumption, and low binder dosage), reducing cost and carbon emissions through adjustment of the binder structure and reinforcing Huaxin Concrete's technological leadership and low-carbon commitment in the industry.
- The aggregate R&D team conducted research on cement-based aerogel ultra-lightweight and ultra-thermal-insulating materials. The prepared material demonstrated outstanding performance, with a compressive strength of 5.83 MPa at 80% strain, a density of 0.077 g/cm³, and dual superhydrophobic properties. Its key indicators are comparable to materials of the same system reported in authoritative international literature. The material's high-performance thermal insulation can significantly reduce building energy consumption, while its lightweight characteristics help reduce transportation energy use, offering an innovative material solution for energy saving and carbon reduction in the construction and industrial sectors and showing broad application prospects.
- The wall materials R&D team continued to advance the R&D and industrial validation of carbonized standard bricks and carbonized aerated concrete. During pilot-scale production validation at the Wuxue Industrial Park, total R&D investment exceeded RMB 500,000, with 300,000 carbonized standard bricks produced and 20.2 tons of CO₂ absorbed, along with 60 tons of steam saved, verifying the feasibility of CO₂ carbonization technology and preliminarily achieving the combination of environmental and product benefits.
- Focusing on the industrialization of green technologies, the Company advanced industrial trials of coal combustion additives and process optimization of LC3 low-carbon cement, accelerating overseas industrial application. In the domestic market, it prioritized the promotion of low-carbon technical solutions such as inorganic terrazzo flooring, high-temperature wear-resistant materials, self-synthesized admixtures, and "three-low concrete." In overseas markets, it continued to promote the Company's self-developed green product systems, including grinding aids and dry mortar, for application in cement plants in Mozambique, South Africa, Zambia, Zimbabwe, and other countries. Looking ahead, we will focus on promoting the industrial application of phosphogypsum solid waste resource utilization technology and ensure the long-term, stable, and large-scale production of carbonized wall materials, continuously reduce our own carbon emissions, and provide a replicable green transition pathway for the building materials industry.



Carbonized Standard Brick

As of the reporting period's end, 19 plants of Huaxin Building Materials Group have obtained low-carbon product certifications, with the Huangshi plant newly certified for both green low-carbon products and green design products.

Grade 42.5 ordinary Portland cement obtained low carbon product certification



Green Design Product Certification Certificate for 42.5 grade ordinary Portland cement



42.5 grade ordinary Portland cement green low carbon cement certification certificate



"42.5 grade ordinary Portland cement" China low-carbon product certification certificate

Grade 52.5 ordinary Portland cement obtained low carbon product certification



Green Design Product Certification Certificate for 52.5 grade ordinary Portland cement



52.5 grade ordinary Portland cement green low carbon cement certification certificate



"52.5 grade ordinary Portland cement" China low-carbon product certification certificate

Case

Low-carbon technology leads to cost reduction and efficiency improvement, Huaxin concrete builds new green competitive advantage

While maintaining product quality, Huaxin Concrete has implemented technical optimization measures at all sites, focusing on reducing aggregate content, cement consumption, and water usage. These efforts have cumulatively achieved cost savings and efficiency gains of 67.812 million yuan, significantly enhancing the company's technical capabilities and market competitiveness in the concrete industry.

By scientifically optimizing the use of industrial by-products and auxiliary cementitious materials, Huaxin Concrete actively promotes the coordinated development of the building materials industry with related sectors such as power and metallurgy, establishing a cross-industry green, low-carbon, and circular system. Following the implementation of this technical approach, the company's concrete products have achieved a significant reduction in carbon footprint, with an average reduction of 7.8 kg of CO₂e per cubic meter, totaling approximately 220,000 tons of CO₂e emission reduction. This provides a practical technical pathway and demonstration case for the cement and concrete industry to achieve its "dual carbon" goals.

Optimizing Resource Efficiency

Enhancing Energy Efficiency Management

Huaxin Building Materials Group strictly complies with the Energy Conservation Law of the People's Republic of China and local regulations in all operational regions. The company has established energy management systems, including the "Management of Consumption Quotas for Major Raw Materials and Energy" to systematically advance technological upgrades, fuel substitution, and energy-saving facility deployment. These initiatives continuously enhance energy efficiency and strengthen the energy management framework. The company designates production technology departments of its subsidiaries as the primary authorities for energy consumption quota management, responsible for formulating, revising, analyzing, and evaluating consumption quotas across their units. Production, mining, and maintenance departments serve as implementation and support units, ensuring the daily operation and process control of their respective energy consumption quotas.

As of 2025, 38 of the Company's cement kiln production lines has been certified under the Energy Management System.



Huaxin Huangshi Company Energy Management System Certification Certificate



Chongqing Huaxin Diwei Company Energy Management System Certification Certificate

Energy management initiatives

Capacity reduction retrofit of distribution transformer

Replacing the original 500 kVA transformer with a 315 kVA model, this upgrade not only meets production power demands but also achieves monthly electricity savings of approximately 4,000 yuan.

Optimized secondary/tertiary air system

After retrofitting two production lines, the secondary air temperature increased by 30–50° C, reducing standard coal consumption per ton of clinker by approximately 1 kg.

Preheater efficiency upgrade

By enhancing C1 separation efficiency, the 12 production lines achieved a 2%+ improvement in separation efficiency, reducing standard coal consumption per ton of clinker by approximately 0.8 kg.

Frequency conversion retrofit for tail exhaust fan

Installation of a frequency converter reduced the power consumption per ton of clinker from 4 kWh/t to 3 kWh/t.

- The heating and preheating system of the printing press was upgraded**
 the heating control mode of the intercolor oven was upgraded from potentiometer to temperature controller, and the preheating system was put into summer shutdown management to reduce energy consumption.
- Power consumption optimization of top-end plant fan**
 After applying high-efficiency fan, the single consumption of high-temperature fan per ton of clinker decreased from 10.5 kWh/t to 8.5 kWh/t.
- The installation and modification of a fabric storage device for laminating machines**
 By adding a fabric storage device to the laminating machine, the time required for roll replacement is shortened, the operational efficiency of the equipment is improved, and energy consumption is effectively reduced.
- Optimization of the feeding point in the decomposition furnace**
 Precise control of the position and method for fuel/material feeding into the decomposition furnace to enhance fuel utilization efficiency, reduce system heat consumption, and lower carbon emission intensity.
- Burner optimization**
 By adopting high-efficiency low-nitrogen combustion technology and intelligent regulation, it enhances coal-fired thermal efficiency while reducing energy consumption.

Case

Huaxin Building Materials Group is awarded the title of "New Energy Logistics Scenario Application Model Enterprise"



New Energy Logistics Scenario Application Model Enterprise Certificate

At the Sixth Transportation Technology Development Conference held in Qingdao, Shandong on January 8, 2026, Huaxin Building Materials Group was honored with the 'Model Enterprise for New Energy Logistics Applications' award for its groundbreaking practices and remarkable achievements in this field.

Huaxin Building Materials Group has established the industry's first large-scale new energy logistics co-construction system through the dual-wheel drive of "new energy + digitalization", achieving significant improvements in logistics operational efficiency and structural optimization of operational costs. The company has simultaneously advanced its overseas green logistics layout, having deployed new energy vehicles in countries such as Mozambique and Malawi, setting an overseas benchmark for China's green logistics solutions. Moving forward, Huaxin Building Materials Group will continue to adhere to innovation-driven development, steadily increasing investment in key areas such as new energy and intelligentization, contributing to the high-quality coordinated development of smart transportation and the green building materials industry.

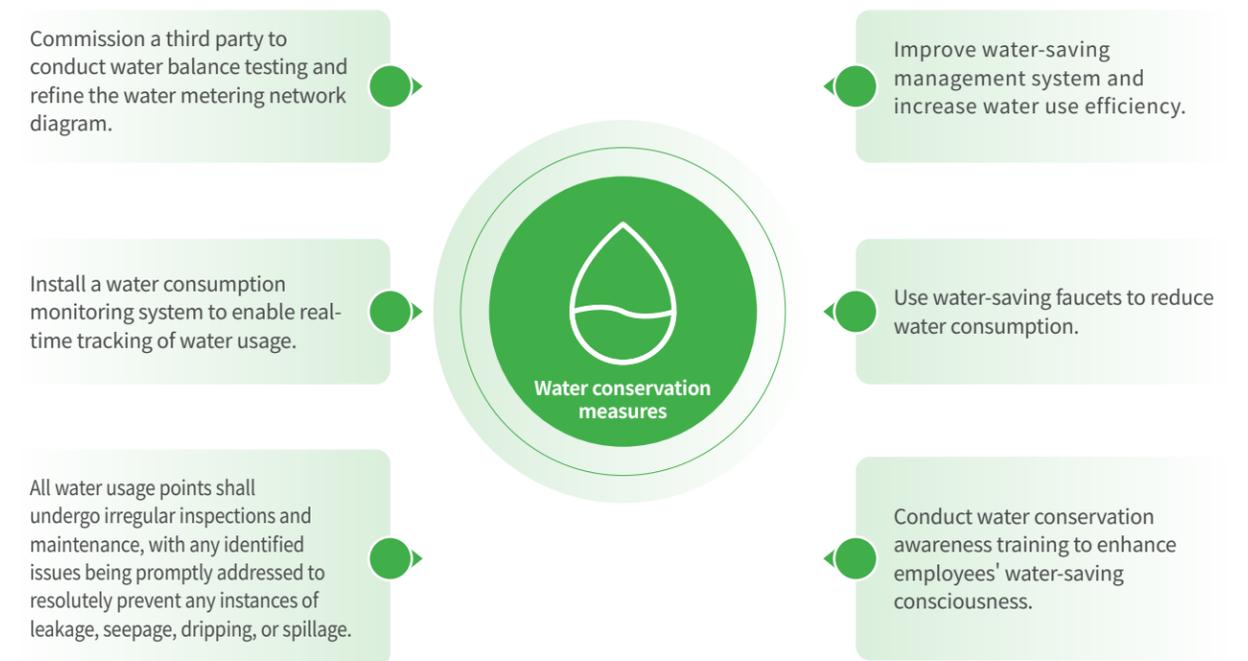
Indicator	Unit	2023	2024	2025
Combined energy consumption	10,000 tons of standard coal	538.00	519.51	549.51
Comprehensive energy consumption per unit of clinker product in China	kg of standard coal/ton of clinker production	94.69	94.02	100.69

Water Resources Management

The company strictly complies with the Water Law of the People's Republic of China, the "Regulations on Water Withdrawal Permits and Water Resource Fee Collection", and local laws and regulations in all operational regions. It standardizes the surface water withdrawal process for rivers, strictly controls total water consumption, and continuously improves water utilization efficiency and reuse rates. Based on local resource endowments, each plant sources production water from multiple channels including surface water, groundwater, production reuse water, and tap water. The company has established the "Water Management Measures", which clearly defines water management responsibilities at all levels and systematically enhances the standardization of water management practices.

The company has established a water resource management framework, with the Sustainable Development Department as the governing body and the environmental engineering and new materials business design and R&D teams as technical support units. Each plant's general manager serves as the primary responsible person, subject to supervision by the division and regional management.

Huaxin Building Materials Group adheres to the principle of sustainable water use in its project layout, avoiding high-water-consumption projects in water-scarce regions to prevent additional pressure on local water environments. During the reporting period, none of the company's production bases were located in water-stressed areas, and it encountered no significant issues in water supply security.



Indicator	Unit	2023	2024	2025
Total water consumption	Tons	2,347	2,330	2,325

Packaging Materials Usage

Huaxin Building Materials Group actively supports China's "dual carbon" goals by implementing green, low-carbon, and high-quality development in the cement industry. The company strictly adheres to the "Cement Packaging Bags" (GB/T 9774-2020) standard, driving comprehensive circular and green transformation of cement packaging. It implements full lifecycle standardized management for cement packaging bags, covering key aspects such as classification, specifications, labeling, printing, and material selection. All square-bottom valve pockets are printed with eco-friendly water-based inks, meeting national green packaging standards while being 100% recyclable. This initiative promotes closed-loop resource utilization and provides industry-level support for building a circular economy system.

Packaging Materials Management Initiative

Recycling and recovery

The company processes recycled plastic waste into granular materials using granulation equipment, which are then applied in the manufacturing of injection molding trays, thereby achieving a closed-loop recycling system for plastic resources.

Optimization of packaging method

By promoting the use of box trucks for clinker transportation, the company has significantly reduced the consumption of packaging bags per ton, effectively lowering the overall use of packaging materials.

Indicator	Unit	2023	2024	2025
Consumption of packaging materials	10,000 tons	2.83	2.62	2.61
Consumption density of packaging materials	kg/t bagged cement production	1.39	1.38	1.38

Case

International Practice of Green Packaging

Huaxin Packaging Company has long been dedicated to the R&D and production of green packaging solutions. As a key contributor to the national standard "Cement Packaging Bags" (GB/T 9774-2020), its manufacturing processes are recognized as industry-leading. The company's innovative eco-friendly square-bottom valve pouches feature flexible customization and 100% recyclability, significantly advancing the circular economy and resource recovery in packaging materials.

Currently, this product has been widely adopted in over a dozen provinces and cities across China, with active expansion into overseas markets. By 2025, it will successfully enter seven countries including Kyrgyzstan, Malawi, and Mozambique, serving multiple sectors such as building materials, chemicals, and new eco-friendly materials. The annual shipment of packaging bags to overseas markets has reached 50.28 million units, contributing to the green and circular development of global industrial chains.



Huaxin's Innovative Eco-friendly Packaging Bags

Preserving a Clean Ecosystem

Improving Environmental Management

Huaxin Building Materials Group strictly complies with the Environmental Protection Law of the People's Republic of China, the Environmental Protection Tax Law, and local environmental regulations. The company continuously improves its ecological and environmental protection management system by enhancing pollution emission monitoring mechanisms, strengthening dynamic environmental risk control, and actively promoting the application of green processes and low-carbon technologies, thereby systematically improving environmental governance efficiency.



The company has formulated and implemented management systems including the "Environmental Protection Management Measures", "Notice on Standardizing Environmental Monitoring Work", "Notice on Implementing the Monthly Environmental Reporting System", and "Regulations on Hazardous Waste Disposal Management". In 2025, the company issued the "Notice on Standardizing Environmental Monitoring Methods" to further improve environmental monitoring activities across all units.



The company has established a group-level Environmental Protection Management Committee, which is responsible for reviewing and formulating internal environmental policies, regulations, and major environmental matters. Meanwhile, each subsidiary has set up its own Environmental Protection Management Committee, with dedicated management positions and professional staff assigned to ensure hierarchical accountability. This approach guarantees the continuous operation of the environmental compliance system across all business units.



The company has established a tiered environmental audit mechanism, conducting comprehensive audits at domestic kiln production facilities at least once every three years, while performing irregular specialized audits for other business units based on their environmental risk levels. By 2025, it had completed full environmental audits for 52 units, alongside specialized compliance audits for environmental monitoring and pollutant discharge permits at 28 units, ensuring effective implementation and continuous optimization of the environmental management system.



In 2025, the company continued to refine its environmental management system. The ISO 14001 certification coverage for its integrated cement plant expanded further, with eight new sub-venues added. The ISO 14001 certification system for the concrete and new materials plant also progressed steadily, with seven new certificates obtained throughout the year. By the end of the reporting period, the company's subsidiaries collectively held 92 ISO 14001 certificates across 57 business entities, demonstrating continuous improvement in both certification coverage and management maturity.



Huaxin Suizhou Company Environmental Management System Certificate



Huaxin Dazhi Company Environmental Management System Certificate



Huaxin Qianjiang Company Environmental Management System Certificate

Environmental Emergency Management

All subsidiaries of Huaxin Building Materials Group strictly comply with laws and regulations such as the Emergency Response Law of the People's Republic of China and the "Interim Measures for the Management of Emergency Response to Sudden Environmental Incidents". They have developed emergency response plans for environmental incidents and conduct regular drills to ensure rapid and effective responses when such incidents occur, thereby preventing adverse impacts on the environment and public health.

Cultivation of Environmental Protection Culture

Huaxin Building Materials Group places high priority on cultivating environmental culture and enhancing capabilities. Through regular environmental training and themed campaigns, the company systematically strengthens employees' environmental awareness and professional skills. Annually, it organizes diverse activities including knowledge workshops, skill competitions, plant open days, and community environmental initiatives, consistently shaping its corporate image as an "environmentally conscious, low-carbon, and green" enterprise.

During the reporting period, the company actively encouraged employees to proactively identify and report environmental risks, implementing the "Environmental Observation Campaign" with approximately 8,000 participants. It also conducted specialized training on environmental and carbon asset management for key personnel in subsidiaries, enhancing their skills and management capabilities. To support the national carbon market, the company organized in-depth interpretations and dissemination of the Cement Industry Carbon Emission Verification and Accounting Guidelines, strengthening low-carbon management capabilities.



Low-carbon and Green Month



Environmental Management Training

Case

Chongqing Huaxin Diwei Company Organizes "60 Green Building Materials Day"

In June 2025, Chongqing Huaxin Diwei Company successfully held the "Zero Green Building Materials Day" and its first public opening event. This event was organized by the China Building Materials Federation, aiming to showcase the industry's achievements in green transformation and the construction of "Zero Green" plants to the public, while promoting corporate social responsibility and cultural heritage. Huaxin Diwei Company participated as a representative enterprise of the cement industry in the event.

The event gathered over 60 participants, including local government officials, partners, community members, and students. Through on-site visits to key environmental facilities such as the SCR ultra-low emission project and AFR co-processing workshop, complemented by exhibition panels and displays of green innovation cultural works, the event systematically showcased the progress and achievements of Huaxin and Diwei in green transformation and technological environmental protection. Attendees unanimously praised the event for its rich content and engaging format, which deepened public understanding and recognition of the green building materials industry and corporate sustainability practices.



"60 Green Building Materials Day" event



"60 Green Building Materials Day" event

Strengthening Pollutant Control

Huaxin Building Materials Group strictly complies with the Environmental Protection Law, Water Pollution Prevention and Control Law, and Air Pollution Prevention and Control Law of the People's Republic of China, as well as all applicable laws and regulations in its operational locations. The company rigorously adheres to national and local pollutant emission standards, ensuring compliance with the total emission limits and concentration control requirements specified in its pollutant discharge permits.

The company has established the "Environmental Protection Management Measures", "Water Management Measures", "Hazardous Waste Disposal Management Regulations", "Solid Waste Management Measures", and "Notice on Standardizing Pollutant Discharge Permit Management", aiming to reduce pollutants at the source and promote sustainable corporate development. All subsidiaries strictly comply with pollutant discharge permit requirements, implementing controls on total emission volumes and concentration levels. During the reporting period, pollutant emissions neither adversely affected employees or local residents, nor resulted in major administrative penalties or criminal liabilities.

Progress



Completed

Target

Strictly comply with national and local pollutant emission standards and total emission control requirements, implement measures such as ultra-low emission, performance grading, and heavy pollution weather control in all regions, and carry out ultra-low emission retrofits as required by local authorities.

Waste Water Management



The company adheres to the wastewater management principle of "quality-based classification and recycling," continuously advancing the "near-zero discharge" goal for wastewater in riverside areas. By strengthening end-to-end supervision, optimizing reuse systems, and enhancing end-of-pipe treatment, it systematically improves wastewater control and resource recovery capabilities. Huaxin Building Materials Group and its subsidiaries strictly implement compliant wastewater treatment and recycling mechanisms, achieving zero external discharge of production wastewater.

Wastewater treatment

The company has implemented a rainwater-sewage separation system, which collects and treats all wastewater containing low-concentration pollutants generated within the first 15 minutes of rainfall. The treated water is fully recycled into the plant's reclaimed water system, achieving zero external discharge.

Treatment of production wastewater

The company has established a tiered and quality-based water resource recycling system: production wastewater is prioritized for treatment and reuse through the circulating water treatment system; for the portion that cannot be directly reused, advanced physical and chemical methods such as oil separation, sedimentation, and flocculation are employed for deep treatment. All treated water is comprehensively utilized to achieve a closed-loop wastewater resource recovery system.

Treatment of sanitary sewage

The domestic wastewater from the plant area is treated through oil separation, filtration, biological contact oxidation, and disinfection processes, and is fully reused for plant greening irrigation, road and stockpile dust suppression, and humidification tower spraying. The domestic wastewater from the wharf is transported ashore via a comprehensive collection system, centrally treated, and incorporated into the reuse system to prevent direct discharge into rivers, achieving closed-loop utilization of water resources.

Waste Gas Management



The waste gas generated during Huaxin Building Materials Group's production process primarily originates from workshop operations, containing pollutants such as nitrogen oxides, sulfur dioxide, and particulate matter. The company implements a comprehensive management strategy combining "source control with real-time monitoring," utilizing advanced pollution prevention technologies to continuously reduce both emission concentrations and total emissions. Regular systematic evaluations of exhaust treatment facilities and emission data are conducted to optimize process parameters and upgrade treatment equipment, driving refined and dynamic improvements in emission management. By 2025, all of Huaxin Building Materials Group's plants in Chenzhou, Chibi, Fuling, Diwei, Shentian, and Yanjing were certified as Grade B enterprises in air pollution prevention and control performance.

NO_x

Nitrogen Oxide

The company has been steadily reducing nitrogen oxide emissions through continuous optimization of staged combustion technology, enhanced existing selective non-catalytic reduction (SNCR) and selective catalytic reduction (SCR) systems, and ongoing SCR infrastructure development. While maintaining stable nitrogen oxide emissions, the company has also achieved consistent reductions in ammonia consumption. As of the reporting period's end, 20 kiln lines have completed SCR retrofitting.

SO₂

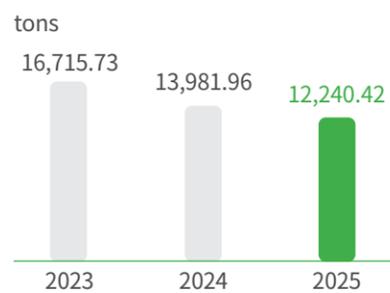
Sulfur Dioxide

Huaxin Building Materials Group has optimized raw material and fuel ratios while strictly controlling sulfur-containing materials to reduce sulfur dioxide (SO₂) generation at the source. The company implements refined sulfur content management for both materials and fuels, utilizing advanced central control systems and real-time monitoring data to achieve end-to-end process control, ensuring stable and compliant SO₂ emissions. To address potential emission fluctuations during emergencies (e.g., raw material mill shutdowns), the company actively develops and applies technologies like wet desulfurization and composite desulfurization, maintaining continuous emission control and minimizing environmental impact risks. As of the reporting period's end, SO₂ emission concentrations decreased by 0.3 mg/m³ compared to the previous year.

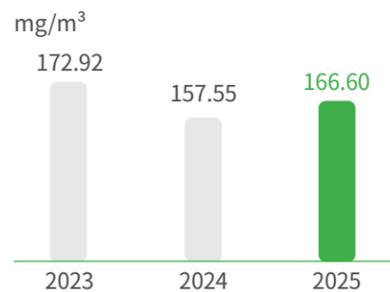
Particulate Matter

The company optimizes production line maintenance during kiln shutdowns and off-peak periods to ensure dust removal equipment operates at peak efficiency. Meanwhile, Huaxin Building Materials Group has implemented a multi-tiered dust control system: By installing vehicle washing stations, road sprinklers, and scheduled mechanical cleaning, it effectively controls transportation and road dust. Additionally, roller-type bag cleaners with mobile dust collection units in the cement packaging area have been deployed to achieve consistent dust reduction in this zone.

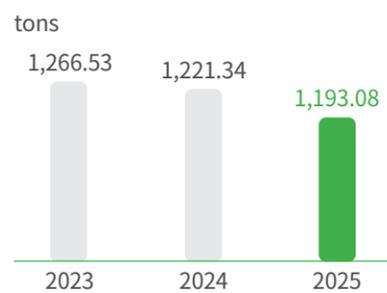
Total nitrogen oxide emissions



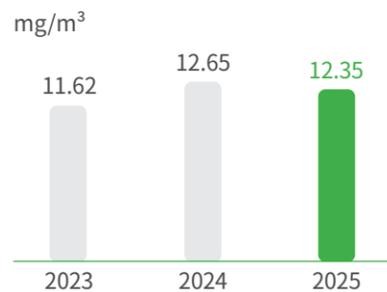
Mean concentration of nitrogen oxide emissions



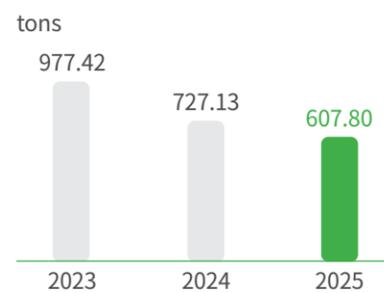
Total sulfur dioxide emissions



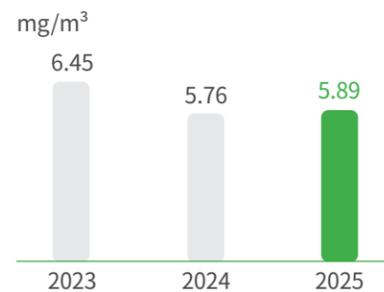
Mean concentration of sulfur dioxide emissions



Total particulate matter emissions



Mean concentration of particulate matter emissions



Waste Management



Huaxin Building Materials Group implements a "classified collection, zoned storage, and self-utilization" system to separate industrial and domestic waste for centralized processing. Leveraging its cement kiln co-processing technology, the company standardizes the classification, collection, storage, and resource recovery of general industrial waste, achieving zero emissions from cement plant operations. Through industrial synergy, it operates an integrated building materials park that combines aggregate production, cement clinker manufacturing, concrete production, and brick manufacturing, maximizing resource utilization of industrial waste. For hazardous materials — including waste mineral oil, laboratory waste liquids, empty paint cans, and empty oil drums — the company entrusts qualified third parties to handle or recycle them, ensuring 100% lawful disposal of toxic and hazardous waste.

Progress



Completed

Hazardous waste

Target

100% harmless disposal of hazardous waste and general solid waste

In compliance with the National Hazardous Waste Catalog and the Hazardous Waste Standardized Management Index System, the company systematically implements classified collection, secure storage, and compliant disposal of hazardous waste. From the source, it has established a comprehensive monitoring system covering the entire lifecycle of hazardous waste. Dedicated temporary storage facilities are constructed in accordance with the "Pollution Control Standards for Hazardous Waste Storage", and standardized disposal is entrusted to qualified third-party institutions. Additionally, the company strictly enforces the hazardous waste transfer manifest system to ensure full traceability and control throughout the entire process — from generation, storage, and transportation to final disposal — minimizing environmental impact.

General solid waste

The company systematically implements solid waste classification management, categorizing waste into two types: co-processing in kilns and non-co-processing in kilns, to achieve integrated resource recovery and harmless treatment. Suitable materials such as waste paper, plastics, rubber, wood products, and textiles are classified as alternative fuels, which undergo co-processing in cement kilns for energy recovery and harmless decomposition. Construction waste, including slag and earth, is strictly quality-controlled and used as alternative raw materials in cement production. For recyclable materials like metal spare parts, the company signs agreements with qualified processing units to ensure standardized recycling and resource utilization, guaranteeing safe and compliant disposal throughout the entire waste lifecycle.

Indicator	Unit	2023	2024	2025
General industrial solid waste and household waste generation volume	tons	168,542	166,864	177,990
General industrial solid waste recovery rate	%	100	100	100
Quantity of hazardous waste	tons	218.27	197.19	211.95
Rate of safe disposal of hazardous waste	%	100	100	100

Ecosystem Protection

Huaxin Building Materials Group is committed to establishing green mines and eco-friendly plants, developing a production model that emphasizes resource efficiency, environmental sustainability, and ecological balance. During the construction phases of its mining operations and plants, the company conducts comprehensive environmental and social impact assessments to identify potential biodiversity impacts. Projects involving protected species or conservation areas are immediately rejected to prevent ecological risks at the source. Adhering to the "mining, remediation, and restoration" principle, the company prioritizes soil and water conservation, vegetation restoration, and biodiversity protection throughout mining activities, while continuously advancing ecological rehabilitation and landscape revitalization in mining areas. In plant operations, the company implements clean production technologies and enhances resource recycling efficiency to achieve harmonious coexistence between production and the environment, fostering mutual benefits and sustainable development between the enterprise, nature, and local communities.

Green Mine

The company strictly complies with the internal "Environmental Protection Management Measures", the "Environmental Protection Management Regulations for Plants Along Rivers (Trial)", and applicable laws and regulations in each operational area. All subsidiaries are prohibited from conducting mining operations within the ecological red line zones designated by government authorities. Furthermore, subsidiaries are required to rigorously implement measures for soil and water conservation, mine reclamation, and biodiversity protection.

Huaxin Building Materials Group is committed to developing scientific and systematic mining plans, implementing comprehensive green mine construction, and ensuring the sustainable utilization of mining resources. Before finalizing mining plans, the company designs ecological restoration schemes that fully consider the mine's original appearance or intended use. This approach provides a scientific basis for "mining and restoring simultaneously," ensuring maximum resource utilization and minimal environmental impact while achieving sustainable mine operation.

By the end of 2025, Huaxin Building Materials Group has 13 plants certified as national-level green mines and 18 as provincial-level green mines.

Case

Huaxin Wuxue Mine Selected as Provincial Green Mine

The Datang-Yupingshan mining area under Huaxin Wuxue Company, which produces limestone for cement, dolomite for construction materials, and shale for cement batching, has been certified as a provincial-level green mine, establishing itself as a flagship project in Hubei Province's green transformation of the mining industry.

Wuxue Company is deeply committed to the green development philosophy, integrating ecological protection into every stage of its mining operations. It has established a dedicated task force for green mine development, clearly defining responsibilities and strictly adhering to industry standards such as the "Green Mine Construction Specifications for Sand and Gravel Industry" and the "Green Mine Construction Specifications for Non-Metallic Minerals Industry" to systematically advance its green initiatives. In ecological restoration, the company adopts a "mining and remediation concurrently" approach, implementing slope stabilization and reforestation projects simultaneously. Through measures like constructing fully enclosed production workshops, continuously increasing green coverage in mining areas, and comprehensively improving road hardening, it has established a comprehensive environmental pollution prevention and control system.

Meanwhile, the company is actively advancing the resource utilization of mining waste to enhance the comprehensive utilization efficiency of mineral resources, gradually achieving near-zero emissions in mining operations. Leveraging digital transformation, the mining area is accelerating intelligent upgrades, widely adopting new energy mining vehicles, and has been successfully selected as one of Hubei Province's first 5G-enabled mines. This initiative enables intelligent management, green operations, and energy-efficient production during mining processes, establishing a model case for digital transformation in the mining industry.



Huaxin Wuxue Mine



Huaxin Wuxue Mine

Case

Huaxin Huangshi Xiajiashan Mine Selected as Provincial Green Mine

The 2025 Provincial Green Mines Catalogue released by Hubei Provincial Department of Natural Resources has included Huaxin Huangshi Company's Xiajiashan Mine, establishing it as a flagship project for the green transformation of the mining industry.

Since its operation, Xiajiashan Mine has actively implemented China's "dual carbon" strategy by adopting intelligent mining equipment and digital management platforms, achieving low-carbon operations and smart control throughout the entire process of ore mining, transportation, and processing. The mine continuously optimizes production techniques, strengthens resource classification and recycling, and achieves 100% utilization rate for waste rock and tailings. In ecological restoration, it adheres to the principle of "reclamation alongside mining," with over 98% of the mining area restored to greenery, significantly improving the landscape and ecological environment. Additionally, the mine has widely adopted new energy electric mining trucks, established a green logistics system, and built a wastewater recycling and treatment system to achieve "zero external discharge" of wastewater, comprehensively advancing a green, intelligent, and sustainable mining development model.



provincial green mine certificate



Huaxin Huangshi Xiajiashan Mine

Green Plant

To systematically advance green plant initiatives, Huaxin Building Materials Group has launched a comprehensive "Beautiful Plant" certification campaign. Centered on the core principles of "cleanliness, greenness, brightness, and beauty," the company is driving a full-scale ecological and garden-style transformation, aiming to establish an eco-friendly production base. Throughout the year, 24 units achieved "Beautiful Plant" certification. By optimizing energy structures, promoting clean production processes, and refining green management systems, the company has continuously enhanced resource efficiency and environmental performance. These efforts have achieved significant energy conservation, pollution reduction, and carbon emission cuts, with all environmental indicators now leading the industry. This sets a benchmark for green transformation in the building materials sector.

By the end of 2025, a total of 25 of the Company's plants were selected as National Green Plants, and 9 plants were selected as Provincial-level Green Plants.

Case

Huaxin Diwei Company Build a "Garden" Plant



Huaxin Diwei Plant

Huaxin Diwei Company actively responds to China's "Dual Carbon" strategy, driving high-quality corporate development through green transformation. The company strictly adheres to the Implementation Path for Carbon Peak and Carbon Neutrality Targets in the Cement Industry and Green Plant Evaluation Requirements for the Cement Industry, standardizing its operations in quality, environment, occupational health and safety, and energy management systems. As a "Carbon Peak Pilot Enterprise in the Building Materials Industry," it undertakes the research and development of alternative fuels and their application verification, achieving continuous, stable, and large-scale adoption of these fuels.

In recent years, Huaxin Diwei Company has invested a total of 86.8 million yuan in green technological upgrades, including alternative fuel systems, intelligent control systems, and energy-saving cement grinding technologies. These initiatives have reduced the comprehensive energy consumption per unit of clinker by 45.56%, the comprehensive coal consumption per unit of clinker by 52.07%, and the electricity consumption in the cement production process by 25%, with multiple indicators reaching advanced domestic industry levels. In environmental protection, the company has completed the SCR+SNCR denitrification system retrofit, ensuring stable operation of environmental facilities and achieving ultra-low emissions of "three wastes" (waste gas, wastewater, and solid waste), thereby creating a "garden-style plant."

Case

Huaxin Yanjing Company Promotes Significant Energy Consumption Reduction by Green Transformation



Huaxin Yanjing Plant

Huaxin Yanjing Company has actively implemented China's green and low-carbon development strategy. With its long-term vision of becoming a green plant, the company has systematically enhanced its management framework and established a regular review mechanism, integrating energy conservation, emission reduction, and green production principles into all business processes. Over the past three years, the company has executed a series of transformation projects, including optimizing intelligent control systems, upgrading vertical mill air inlets, modernizing grate cooler ventilation systems, adopting alternative fuel solutions, enhancing coal mill production capacity, and installing new SCR denitrification systems. These initiatives have reduced the comprehensive energy consumption per unit of cement by 26.57% and per unit of clinker by 23.22%. Additionally, the company is planning to deploy a new energy logistics system to further improve clean transportation standards.

Through its systematic practices in green transformation, environmental protection, and social responsibility, the company has been honored with multiple titles, including Municipal Green Mine, Environmental Integrity Enterprise, Model Enterprise for Harmonious Labor Relations, Advanced Manufacturing Enterprise, Yanting Premium Building Materials Fully Automated Digital Production Workshop, Specialized, Refined, Distinctive, and Innovative SME, and Chongqing's "Double Hundred Enterprises".

Waste Free City Construction

Huaxin Building Materials Group is fully committed to environmental governance. By leveraging co-processing technology in cement kilns, the company actively processes various waste materials including municipal solid waste, sewage sludge, hazardous waste, general solid waste, and contaminated soil. Through high-temperature incineration, it achieves harmless treatment, volume reduction, and resource recovery, effectively alleviating urban environmental pressures. This initiative not only enhances living environments and ecological security but also contributes to waste-free city development and green sustainable development through corporate efforts.

Case

Huaxin Environmental Engineering Co., Ltd. Assists in the Comprehensive Management of Water Environment in Ezhou City

Huaxin Environmental Engineering Co., Ltd. has supported China Construction Third Engineering Bureau Group Co., Ltd. in completing the comprehensive water environment remediation project from Gedian Economic Development Zone in Ezhou City to Chedun Port sediment treatment, once again demonstrating Huaxin Environment's commitment to water environment governance in the region.

Capitalizing on the high-temperature incineration capabilities of cement kilns, Huaxin Environment secured the subcontract for the sludge transportation and sintering project. From May to November 2025, the company safely, compliantly, and efficiently transported and disposed of 26,700 tons of sludge through kiln-assisted treatment, achieving "harmless, residue-free, and resourceful" incineration. This project not only ensured the owner's progress in the comprehensive remediation project but also demonstrated Huaxin Environment's social responsibility and commitment as a water environment remediation participant, realizing a win-win outcome for both social and economic benefits.



Case

Huaxin Environmental Engineering Co., Ltd. Assists Zhaotong City in Green Transformation

Huaxin Environmental Engineering Co., Ltd. has played a pivotal role in helping Zhaotong City eliminate heavy metal pollution risks at the source, establishing itself as the core facility for waste residue resource utilization. The project standardizes the excavation and packaging of contaminated sediment around the landfill site, then transports all materials to Huaxin Zhaotong Company for high-temperature incineration. By the end of 2025, the company had safely processed 11,000 tons of waste residue. Leveraging the high-temperature and long-process characteristics of cement kilns, Huaxin effectively solidifies heavy metals like lead, zinc, and cadmium into the cement clinker lattice, achieving comprehensive management of "reduction, harmlessness, and resource utilization" throughout the process.

The implementation of this project has significantly reduced the pollution load of historical waste residues on regional surface water, groundwater, and surrounding farmland soil, effectively blocking the pathways for heavy metals to enter the food chain. This initiative not only effectively protects the environmental and soil safety of villages around the mining area but also significantly improves local water quality and ecological environment, providing a practical case for the green transformation of resource-based cities.

Case

Huaxin Environment and Unilever Jointly Promote Plastic Recycling

In response to the global challenge of plastic pollution, Huaxin Environment has partnered with Unilever to deliver an impressive performance through a circular economy model of 'turning waste into treasure.' The two parties completed a specialized collaboration on plastic waste recycling in December 2025, with a cumulative recycling and trading volume of 55,900 tons.

Through this collaboration, Huaxin Environment leverages its cutting-edge co-processing technology for cement kilns to transform hard-to-recycle plastic waste into renewable energy and raw materials, effectively mitigating the environmental impact of conventional landfilling and incineration. This fully traceable closed-loop management system not only supports Unilever's plastic recycling objectives but also establishes an innovative model for plastic pollution control. Moving forward, both parties will deepen their partnership to contribute Huaxin's expertise in building a zero-waste society and sustainable communities.

Case

Huaxin Zigui Company's Harmless Disposal of Three Gorges Floating Debris

July and August constitute the main flood season for the Yangtze River. During this period, a significant accumulation of floating debris in the upstream waters near the Three Gorges Dam poses substantial risks to both the water quality of the reservoir area and the operational safety of the Three Gorges Dam complex. Since 2010, Huaxin has implemented a cement kiln co-processing project in collaboration with Zigui Company, effectively transforming these floating debris into valuable resources. This initiative provides a sustainable solution for the comprehensive protection of the Yangtze River.

Over the past 15 years, the project has cumulatively disposed of over 1.3 million cubic meters of floating debris through harmless treatment, with 4,348 cubic meters processed during the 2025 flood season alone. Through sustained technological commitment, Huaxin has established a reliable green barrier for the ecological environment and navigation safety of the Three Gorges Reservoir Dam area.

03

Mobilizing Collective Strength to Make Talent Prosper

Huaxin Building Materials Group firmly believes that talent is the fundamental pillar for the Company's steady and sustainable development, and that employees are the core driving force behind high-quality growth. We are committed to safeguarding employee rights and interests in a comprehensive manner and providing employees with quality benefits; building diversified development platforms to support the continuous growth of employees; and placing great importance on employee health and safety. Through all-encompassing measures, we enable employees to feel secure in a caring environment, to grow through development opportunities, and to strive forward in a safe workplace.

- 53 Safeguarding Employee Rights and Well-being
- 60 Strengthening Occupational Health and Safety
- 64 Enabling Growth and Development

Contribute to SDGs



Safeguarding Employee Rights and Well-being

Huaxin Building Materials Group strictly adheres to the laws and regulations of the countries and localities in which it operates, continuously strengthening its equal and compliant employment system, and is committed to fostering a diverse, inclusive, and equitable work environment. The Company has established a scientifically sound and reasonable compensation structure and incentive system to support employees' professional growth and development. In addition, the Company has built diversified and accessible communication channels to gain in-depth understanding of employee concerns, conducts employee care initiatives on a regular basis, and effectively enhances employees' sense of belonging and satisfaction, as we advance together toward a shared and promising future.

Compliant Employment

Huaxin Building Materials Group aligns its practices with the International Labour Organization (ILO) Conventions and strictly complies with the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, the Regulations on the Prohibition of Child Labor, and other relevant laws and regulations. The Company conducts thorough research into employment requirements at overseas operating locations and strictly adheres to applicable laws and regulations, ensuring that recruitment processes and employment decisions are governed by law and guided by established rules. The Company has formulated a series of policies, including the "Measures for the Administration of Employee Recruitment," the "Measures for the Administration of Employee Transfers," the "Measures for the Administration of Labor Contracts," the "Human Resources Authorization Policy," and the Regulations on the "Management of Flexible Retirement for Employees," effectively safeguarding the lawful rights and interests of employees.

In 2025, the Company continued to strictly implement the "Measures for the Administration of Employee Recruitment," ensuring the standardization and consistency of the end-to-end recruitment process — spanning recruitment requisition, job posting, interview and selection, compensation discussion, background screening, pre-employment medical examination, offer approval, notification issuance, employee onboarding, and probationary period confirmation — thereby laying a solid institutional foundation for building a high-quality talent workforce.

The Company focused on enhancing core competencies in the recruitment process. Through dedicated interviewer training and structured case debriefs, the Company continuously strengthened interviewers' professional capabilities in talent identification and assessment. Guided by the principles of equal and compliant recruitment, the Company optimized its equal and compliant recruitment procedures, refined talent evaluation dimensions, and consolidated the professional competence and compliance foundation of its recruitment function.

Equal Employment and Anti-Discrimination

The Company upholds the principle of fair employment, embedding fairness and impartiality into every aspect of talent recruitment and career development. The Company prohibits any form of discrimination based on factors including age, nationality, gender, race, ethnicity, or religious belief, and prohibits all forms of harassment. The Company is committed to protecting the lawful rights and interests as well as the special entitlements of female employees, and strives to build an inclusive and diverse workforce.

Prohibition of Child Labor

During the recruitment process, the Company strictly verifies the original identity documents of all applicants, confirming information such as age and photograph, and conducts thorough identity registration. The Company maintains an absolute policy of neither recruiting nor employing child labor, thereby effectively protecting the lawful rights and interests of minors.

Prevention of Forced Labor

The employment contracts formulated by the Company clearly and explicitly define the terms agreed upon by both the Company and employees with respect to working conditions, encompassing reasonable arrangements for working hours as well as specific provisions governing overtime. The Company strictly prohibits any misconduct that may violate labor standards and maintains a zero-tolerance stance toward rights-infringing practices such as forced labor. Upon detection of any indication of forced labor, the Company will conduct a comprehensive investigation and impose strict disciplinary measures on the employees involved in accordance with relevant regulations.

During the reporting period

The total number of employees at Huaxin Building Materials Group was

21,889

male employees

17,277

female employees

4,612

The total number of new hires (Chinese nationals only) was

79

with a labor contract signing rate of

100%



The hiring rate of new employees working in Mainland China was

72.15%



while the hiring rate of new employees working overseas was

27.85%



The employee turnover rate was

5.66%

Labor relations within the workforce remained stable, with no instances of large-scale labor contract terminations and no related labor disputes.

The proportion of non-regular employees was

0.8%

Compensation and Benefits

Employee Compensation

Huaxin Building Materials Group strictly complies with relevant laws and regulations as well as the Company's internal policies, including the "Compensation Management Measures", the "Total Compensation Management Measures", and the "Employee Welfare Management Measures". During the reporting period, the Company revised a series of welfare policies, including the "Management Measures for Employee Remuneration during Major Illness and Subsequent Return to Work", the "Measures for the Administration of Work Suitability Assessment and Management of Employees Deemed Unfit for Work", and the "Management Measures for Employee Attendance and Leave". Adhering to the principle of compliance as a priority, these measures ensure the standardized and systematic management of working hours, rest and leave entitlements, and salary disbursement, thereby ensuring the full protection of employees' labor rights and interests.



The Company strictly implements the principle of equal pay for equal work. Compensation levels are determined through reasonable calculation to ensure that remuneration standards are aligned with industry development levels and regional salary benchmarks, and meet employees' basic living requirements. The compensation system contains no provisions that discriminate on the basis of gender, thereby effectively safeguarding the lawful rights and interests of all employees.



In order to further standardize employment management, the Company arranges public holidays in accordance with relevant national regulations, ensuring reasonable working hours and adequate rest and leave entitlements. During the reporting period, the Company revised and improved the "Management Measures for Employee Attendance and Leave". Through clearly defined overtime approval procedures and restrictions on overtime duration, the Company effectively prevents and reduces unnecessary overtime and excessive working hours. At the same time, the Company strictly pays overtime wages to employees in full in accordance with applicable laws, regulations, and internal policies.

The Company has established a scientifically sound and comprehensive compensation management and employee benefits system, providing employees with market-competitive remuneration. Total employee compensation comprises base salary, short-term incentives, long-term incentives, overtime pay, and various allowances and subsidies as stipulated by the Company. The Company incorporates long-term incentives into the total compensation framework and has established an employee stock ownership plan. During the reporting period, the Company launched the Third Tranche (2025) of the 2023–2025 Core Employee Stock Ownership Plan, and released the draft 2025 A-Share Restricted Stock Incentive Plan, promoting the long-term co-development of employees and the Company.

Employee Benefits

The Company has established an employee benefits system encompassing statutory benefits, core benefits, and flexible benefits. In accordance with relevant national and governmental laws and regulations, the Company provides employees with basic statutory benefits, including social insurance and housing provident fund contributions. In addition, the Company provides employees with core protection benefits, including supplementary pension insurance, supplementary medical insurance, and personal accident insurance, comprehensively safeguarding employees' professional and personal well-being.

The Company places particular emphasis on supporting employees' family life, providing benefits such as fully paid parental leave to effectively address employees' personal concerns. In 2025, a total of 311 employees availed themselves of parental leave, comprising 185 male employees and 126 female employees. All employees who took parental leave returned to work and were retained upon the conclusion of their leave.

Statutory Benefits

Statutory benefits refer to the basic protection benefits provided to employees in accordance with relevant laws and regulations of the State and local governments, encompassing social insurance, housing provident fund contributions, high-temperature allowances, statutory holidays, and one-child subsidies, among others.

Core Benefits

Core benefits refer to the essential protection benefits provided by the Company to employees, encompassing supplementary pension insurance, supplementary medical insurance, personal accident insurance, housing assistance, home visit assistance, health examinations, festival monetary gifts, meal provisions, vehicle and transportation allowances, and communication allowances, among others.

Flexible Benefits

Flexible benefits encompass transportation subsidies, employee training, labor protection supplies, female employee care, hardship assistance, employee recuperation, employee care initiatives, and cultural, sports, and recreational activities, among others.

Employee Communication



Huaxin Building Materials Group Convenes Youth Forum

Huaxin Building Materials Group consistently upholds a people-centered philosophy, respects employees' rights to freedom of association and collective bargaining, and is committed to fostering a harmonious and collegial work environment. Through the maintenance of open and accessible communication channels, the Company ensures that employee concerns are reasonably expressed and appropriately addressed, thereby promoting the harmonious development of both the Company and its employees.

The Company adheres to and continuously improves the democratic management mechanism centered on the Employee Representative Congress, proactively listens to employee concerns, and ensures that major institutional decisions fully reflect employee interests, thereby stimulating organizational vitality through sound management practices. On 22 May 2025, the Company convened the Second Extraordinary Session of the Ninth Employee Representative Congress, at which employee representatives reviewed and voted to adopt, by secret ballot, three important institutional documents: the "Management Measures for Employee Remuneration during Major Illness and Subsequent Return to Work (2025 Edition)", the "Measures for the Administration of Work Suitability Assessment and Management of Employees Deemed Unfit for Work (2025 Edition)" and the "Management Measures for Employee Attendance and Leave (2025 Edition)".

In order to enhance employee communication efficiency and organizational collaborative effectiveness, the Company has focused on building an efficient and accessible employee communication and service ecosystem. In 2025, the Company developed and launched the "Huaxin Baishitong · Enterprise Knowledge Q&A Intelligent Assistant," creating an intelligent communication platform that integrates on-demand access to administrative and operational procedures, readily available professional knowledge, and collaborative sharing of experience and achievements.

The Company actively conducts policy briefings and dedicated employee communication meetings to listen to employees' voices. Subsidiaries and business units under the Company regularly hold employee communication meetings to gather constructive suggestions from employees and inspire all employees to unite and strive forward. In addition, the Company organized and convened forums for young employees, establishing a platform for in-depth dialogue and exchange with the younger workforce.

The Company places great emphasis on building platforms for employees to showcase their talents and tackle challenges, fully energizing the youth workforce and consolidating consensus across its global teams. Domestically, through the establishment of youth commandos and the organization of cross-regional project exchanges, the Company provides young employees with hands-on platforms for practical experience, encouraging them to take on key responsibilities in critical areas. Overseas, the Company actively builds communication bridges between Chinese and foreign employees, leveraging diverse engagement formats such as joint festival celebrations and cultural exchange activities to consolidate the strength of cross-cultural teams and enable foreign employees to deeply experience the warmth of the Company.

Case

Youth Commando "Building Dreams Globally, Achieving Excellence in Youth" Project Launch and Exchange Meeting



Youth Commando "Building Dreams Globally, Achieving Excellence in Youth" Project Launch, Exchange, and Plaque Presentation Ceremony

On 22 September 2025, the Company's Communist Youth League Committee held the 2025 Youth Commando "Building Dreams Globally, Achieving Excellence in Youth" Project Launch, Exchange, and Plaque Presentation Ceremony at the Wuhan Business Center. A total of 16 commandos from various regions and business units of the Company participated in the project presentation, covering multiple fields including aggregates, mining, electrical engineering, environmental protection, equipment, new materials research and development, marketing, and overseas operations. During the meeting, representatives from each commando presented in sequence their project objectives, implementation progress, key challenges, and anticipated outcomes, demonstrating the solid professional competence and high-spirited dedication of Huaxin's young workforce.

Case

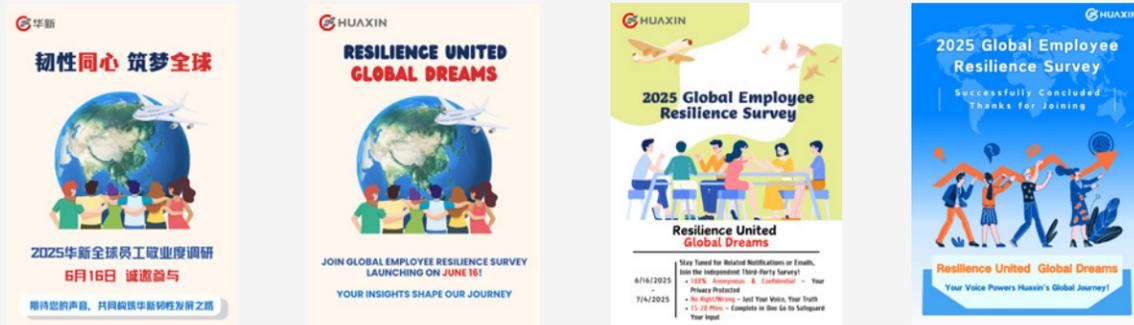
Huaxin Jizzakh Company Holds Mid-Autumn Festival Reunion and Fellowship Event

In October 2025, Huaxin Jizzakh Company held a Mid-Autumn Festival reunion event, during which Chinese and Uzbek employees broke through language barriers through entertaining interactive activities such as "drum passing with flowers" and "balloon stomping," deepening mutual understanding through shared laughter. The event extended the spirit of reunion beyond geographical boundaries, serving as a bond connecting different cultures and consolidating team cohesion.



Jizzakh Company Holds Mid-Autumn Festival Reunion Event for Chinese and Uzbek Employees

During the reporting period, committed to understanding the voices of its global workforce and in line with its philosophy of "Building Dreams Globally Together," the Company conducted a global employee engagement survey in four languages — Chinese, English, Russian, and Portuguese — covering all global business units. The survey results indicated that the employee engagement rate reached 81%, the satisfaction rate reached 78%, and the well-being index reached 72%, thereby demonstrating the Company's positive organizational culture and high level of employee recognition.



Huaxin Building Materials Group Conducts Global Employee Engagement Survey in Chinese, English, Russian, and Portuguese

Honours and Awards

In 2025, Aon, a globally renowned human resources services organisation, held the "2025 China Best ESG Employer" award ceremony in Shanghai. Leveraging its outstanding performance in green development, employee care, and responsible overseas operations, the Company was honoured with two awards:

"China Best ESG Employer" "Excellence in Overseas Development Award"

Employee Care

At Huaxin, employee care is the warm foundation underlying the Company's development. We firmly recognize that employees' physical and mental well-being, holistic development, and quality of life are the bedrock of the Company's continued growth and progress. From safeguarding employees' mental health to providing condolences and assistance; from attending to the special needs of female employees to organizing distinctive cultural, sports, and recreational activities as well as employee recuperation programs — the Company implements comprehensive, multi-tiered care initiatives with the aim of ensuring that every employee feels the warmth of a family at Huaxin Building Materials Group.

Mental Health Support

The Company attaches great importance to employees' mental health and has partnered with external professional institutions to launch a 24-hour "one-on-one online psychological counseling service." Through mental health support services, the Company helps employees alleviate stress, improve their mental well-being, enhance their sense of happiness, strengthen psychological resilience, and increase work productivity. The Company has collaborated with a well-known domestic Employee Assistance Program (EAP) institution to develop the "Workplace Wellness Program," inviting experts with extensive theoretical and practical experience to conduct four thematic seminars, with a cumulative participation of 1,050 person-times.



Huaxin Building Materials Group Hosts "Workplace Wellness Program" Series of Mental Health Thematic Seminars

Employee Condolences and Assistance

In 2025, the Company continued to carry out the "Summer Cool Relief" outreach initiative, visiting and extending condolences to frontline employees who remained at their posts during the height of summer, and distributing heat prevention and cooling supplies to the workforce at large, thereby effectively implementing heat prevention and cooling measures to safeguard employees' physical health and production safety. The Company also conducted the "Golden Autumn Education Assistance" initiative to support the growth and development of children of employees facing financial hardship.

The Company has continuously improved its care mechanism for employees facing hardship and has made solid progress in assistance initiatives for young employees. In 2025, the Company, in collaboration with the Fuchi Management Committee, Equipment Company, Packaging Company, and other units, conducted dialogue and exchange activities with more than 30 representative frontline young employees at the grassroots level, gaining an in-depth understanding of the practical difficulties and needs faced by young employees in both their professional and personal lives, and extending organizational condolences and support to young employees with heavier family burdens or facing particular hardships. Building on this foundation, the Huaxin Fuchi Management Committee continued to advance the development of the "Youth Hub" platform, refining and optimizing its service functions and enriching activity offerings, with a focus on creating a reassuring, warm, and comfortable working and development environment for young employees.

In 2025, the Company provided assistance to a cumulative total of 521 employees facing hardship, with the total amount of hardship assistance reaching over RMB 540,000.



Huaxin Fuchi Management Committee Develops the "Youth Hub" Platform



The Company's trade union delivers "summer cool relief" to employees of Daye Company

Employee Family Care

In order to effectively address the challenge of childcare for employees' children during the summer holiday, the Company has established summer day care programs for employees' children at selected operating locations, and has actively engaged university volunteers to provide academic tutoring, organize interest development activities, and conduct cultural and sports activities tailored to children's developmental needs, creating a healthy, safe, and enjoyable summer environment for employees' children. Beginning 7 July 2025, the Wuhan Business Center day care program operated continuously for eight weeks, providing an all-in-one care service from 8:00 a.m. to 5:00 p.m., attracting nearly 60 children of employees from Grades 1 to 6.

Case

Huaxin Hosts the "Cultivating Good Family Values, Jointly Building the Dream Of Family And Nation" Family Education Themed Event

On 15 May 2025, the Company co-hosted the "Cultivating Good Family Values, Jointly Building the Dream of Family and Nation" International Family Day family education themed event in collaboration with the Huangshi Women's Federation. More than 300 Company employees participated in the event through both online and offline channels. The event featured thematic presentations by psychology experts and university professors, facilitating discussions on family education philosophies and practical experiences, guiding employees to cultivate positive family values, and promoting family harmony and the Company's humanistic development.

Honors and Awards



Huaxin Packaging Branch Awarded the "National Model Employee Home" Title by the All-China Federation of Trade Unions

Female Employee Care

The Company upholds a philosophy of humanistic care, comprehensively safeguarding the rights and interests of female employees and ensuring that care initiatives are precisely reflected in every detail of day-to-day operations.

With regard to health protection, the Company regularly organizes gynecological examinations and "two-cancer" screenings for female employees, covering all female employees currently in post. In 2025, the Company conducted an online thematic survey on female employees' health needs, accurately identifying the health concerns of different employee groups and providing data support for subsequent service optimization. In addition, the Company has established dedicated mother-and-baby rooms equipped with necessary facilities, thoughtfully catering to the needs of breastfeeding female employees and fostering a respectful, supportive, and inclusive workplace environment.

With regard to health education and outreach, the Company produced and released a series of promotional posters on "Health for Female Employees and Women in the Three Stages (Pregnancy, Maternity, and Breastfeeding)," disseminating scientifically sound protective health knowledge. The Company organized a dedicated health seminar themed "Women Flourishing, Safeguarding 'Her' Health," attracting the participation of 255 female employees. In addition, the Company invited renowned medical experts to conduct a thematic seminar on chronic disease prevention and health care, benefiting over 400 employees.



Health Education for Female Employees and Women in the Three Stages (Pregnancy, Maternity, and Breastfeeding)



Thematic Seminar on Breast Cancer Prevention and Health Care

Distinctive Cultural and Sports Activities

In 2025, the Company held the "Huaxin Cup" Employee Basketball Tournament. Following a selection process spanning four months, 12 teams from the Company's domestic grassroots units advanced to the finals, which were held in Huangshi from 22 to 24 October. The tournament provided employees with a platform for sports exchange and teamwork, further enriching employees' extracurricular cultural life and promoting the coordinated development of employees' physical and mental well-being alongside the Company's cultural and ethical advancement.



Employee Basketball Tournament



During the New Year holiday period of 2025, the Company successfully organized an Employee Fun Sports Games, in which more than 200 employees from grassroots trade unions across the Wuhan region collaborated closely across 4 team events, sharing a joyful and memorable experience together. Oriented toward entertainment and participation, the event effectively enriched employees' extracurricular cultural life, fostered cross-departmental communication, further strengthened team cohesion, and cultivated a positive, healthy, and collaborative corporate atmosphere.

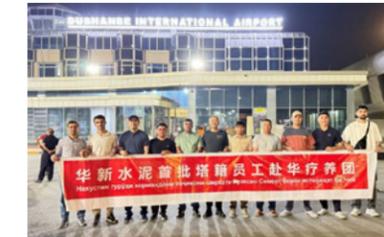


New Year Employee Fun Sports Games

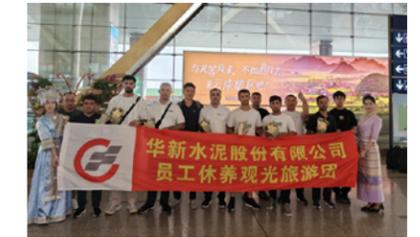


Employee Recuperation Activities

In 2025, the Company's trade union continued to deepen the development of its employee care system, arranging nearly one thousand employees to participate in recuperation activities throughout the year. Notably, as an important initiative to promote cultural exchanges between Chinese and foreign employees and deepen cross-cultural integration, the Company's trade union organized the first group of 10 Tajik employees to travel to China in August for a one-week recuperation program. The itinerary covered both Wuhan and Kunming, and through firsthand experience of Chinese urban landscapes and regional cultures, the foreign employees further strengthened their sense of identification with the Company and fostered mutual understanding and trust between Chinese and foreign teams.



Tajik Employees Travel to China for Recuperation Activities



Strengthening Occupational Health and Safety

Huaxin Building Materials Group attaches great importance to employees' occupational health and production safety. With the goal of building a zero-risk, all-encompassing safe working environment, the Company steadfastly advances various safety management and control measures to establish a robust safety and health protection barrier for its employees.

Safety Management

Huaxin Building Materials Group makes every effort to establish a solid safety and health protection line for its employees, strictly complying with the Work Safety Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases, the "Measures for the Administration of Occupational Health Examinations", and the applicable laws and regulations of the localities in which its operations are based. The Company has formulated and implemented a series of internal rules and regulations, including the "Safety and Health Management System Standards" and the "Personal Protective Equipment Standards."

In order to further fulfill work safety responsibilities, in 2025, the Company newly formulated and issued a number of internal management regulations, including the "Health and Safety Management Guidelines for Environmental Protection and Municipal Solid Waste Business," the "Safety Management Regulations for Confined Space Operations," and the "Health and Safety Management Regulations for Hot Weather Operations (2025 Edition)," providing comprehensive and multi-tiered protection for the Company's work safety and employee health.

In 2025, among the production-oriented subsidiaries and affiliated companies under Huaxin Building Materials Group, a cumulative total of 57 operating entities held 94 ISO 45001 certificates, with the scope of system certification and the maturity of management continuing to improve.

Management Structure and Objectives

The Company has established the Occupational Health and Safety Management Committee as its highest governing body, with a dedicated Occupational Health and Safety Management Office established thereunder. The Safety Committee convenes quarterly safety meetings, responsible for reviewing and approving the implementation plans and evaluating the outcomes of major occupational health and safety activities, providing guidance for the orderly conduct of occupational health and safety initiatives. In terms of staffing, the Company's headquarters, regional and business departments, and plant facilities are all equipped with dedicated professional personnel in health and safety departments.

The Company sets annual occupational health and safety targets and links them to executive compensation. In 2025, the occupational health and safety management targets were set at a fatality rate of 0.90 per ten million working hours and an incident rate of 0.90 per one million working hours, with a target of 36 hours of safety training per employee. All of the aforementioned targets were achieved during the reporting period.

Safety Audits and Risk Assessment

Huaxin Building Materials Group reinforces its safety production compliance through safety audits and risk assessments. The Company strictly reviews and updates its safety management systems and emergency response plans in accordance with the latest regulatory requirements, strengthens the safety accountability framework to ensure that responsibilities are clearly assigned and duly discharged, and enhances on-site safety controls to ensure full legal compliance across operational environments and work procedures.

In accordance with the "Health and Safety Audit Management System", the Company applies a demerit point management approach to accidents for which managerial responsibility is borne, driving a shift in safety management toward equal emphasis on both processes and outcomes. During the reporting period, a total of 1,772 issues were identified through audit inspections, of which 10 plants have completed comprehensive rectification, while the remainder are being rectified according to plan. Through audits, 270 examples of outstanding practices were identified, compiled into 111 audit highlight case studies, and shared and promoted across the entire Company, leveraging experience sharing to reinforce positive incentives.

The Company requires all units to comprehensively implement and execute safety risk identification and assessment prior to commencing operations, with work only permitted to proceed following on-site verification by authorized personnel. During the reporting period, the Company implemented the "Bridging the Last Mile of Work Safety" initiative, advancing the development of five-star safety standardization work teams and conducting the "Three Fundamental Questions" activity to highlight safety risks and emergency response measures.

Case

Huaxin Launches "iSave" Safety Regulations for New Processes and Equipment



"iSave" Safety Regulations for New Processes and Equipment

In 2025, as the Company's integration strategy advanced in depth, the expansion of new businesses brought new challenges to safety risk management and control. The Company formulated and implemented the "iSave" Safety Regulations for New Processes and Equipment, focusing systematically on 8 core areas of process and equipment safety to conduct risk identification and assessment, and precisely developing risk prevention and control measures, thereby achieving comprehensive coverage and early intervention in safety management and control for new businesses, new processes, and new equipment.

In addition, the Company implements the "iSave" Thirty Regulations in its day-to-day work safety management, comprising ten "Gold" regulations, ten "Silver" regulations, and ten "Bronze" regulations, to reinforce the work safety protection line. In order to meet the needs of globalized overseas production and operations and assist overseas teams in accurately mastering the core requirements of safety management and control, the Company released an English-language video version of the "iSave" Thirty Regulations, promoting the deep integration of safety management standards with international business operations and ensuring the safe and compliant conduct of overseas business activities.

Safety Hazard Investigation and Remediation

In 2025, the Company's health and safety management system recorded a total of 101,526 submitted hazard entries, of which 76,188 were fully remediated during the reporting period. Through health and safety audits, audit follow-up visits, and on-site support activities, a total of 371 person-times of on-site safety support and coaching were provided. With regard to safety-focused governance at port and terminal facilities, the Company placed particular emphasis on risk management and control for vessel berthing and loading and unloading operations, conducting self-inspections and spot checks across 19 terminals, with a cumulative total of 68 safety hazards identified and remediated, achieving a rectification rate of 100%.

Emergency Management and Incident Investigation

The Company strengthens emergency management by adhering to principles including territorial primacy and hierarchical accountability. At the plant level, the Company's subsidiaries and affiliated units formulate comprehensive and specialized emergency response plans as well as on-site disposal procedures, and conduct emergency training and drills to enhance employees' emergency response capabilities. Work teams simultaneously identify safety risks, control measures, and emergency response procedures when assigning work tasks, fulfilling the requirement that "everyone speaks safety and everyone is capable of emergency response," thereby ensuring that emergency management is implemented in a solid and effective manner.

The Company comprehensively strengthens emergency capability building and enhances the emergency preparedness of all employees. The Company organized 3,076 employees to participate in first aid training, with 2,548 employees acquiring skills in the operation of Automated External Defibrillators (AEDs) and 2,076 employees completing specialized training on Self-Contained Breathing Apparatus (SCBA). Through systematic training covering core areas such as cardiopulmonary resuscitation, trauma first aid, and equipment operation, employees' response speed and procedural compliance in emergency situations such as sudden cardiac arrest, asphyxiation, and poisoning have been significantly improved.

In accordance with the "Measures for Reporting, Investigation, and Handling of Work Safety Accidents," the Company reinforces work safety accountability through the approach of "using cases as warnings, driving improvements through cases, and applying cases as legal guidance." The Company adheres to the "Four-No-Pass" principle, conducting cross-referential review and reflection on accidents, comprehensively analyzing pain points, bottlenecks, gaps, and challenges, and severing the chain of risks, hazards, and accidents. In 2025, the Company completed the investigation of 2 accidents, formulated dedicated rectification plans for 9 serious incidents, and tracked and supervised their full implementation throughout the entire process.

Following the occurrence of an accident, the Company immediately activates its emergency response mechanism, analyzes the oversights and deficiencies that existed before and after the accident, and summarizes the causes of the accident. In accordance with the Company's "Measures for Reporting, Investigation, and Handling of Work Safety Accidents," corresponding accountability investigations and disciplinary measures are imposed on those responsible for the accident.

Safety Culture Development

Huaxin Building Materials Group organizes and conducts a diverse range of safety culture activities to enhance employees' health and safety awareness and work safety technical competencies, and to continuously strengthen the safety awareness and capabilities of management personnel at all levels of the Company.

In 2025, the Company conducted the "Health and Safety Month" themed campaign, focusing on hazard rectification in the immediate work environment to control accident risks. During the campaign, a total of 18 outstanding organizing units were recognized across various regions and business lines. The "Snap a Hazard, Guard Safety Together" lucky draw activity cumulatively collected 2,980 hazard leads. Drawing on the "Measures for Rewarding the Reporting of Health and Safety Hazards", a cumulative total of 5,345 high-quality hazards with completed rectification were collected, achieving closed-loop management of hazard identification, rectification, and elimination.



Launch Ceremony of the 2025 "Health and Safety Month" Campaign



Emergency Rescue Drill for Mine Slope Collapse Accident

Occupational Disease Prevention and Control

Huaxin Building Materials Group consistently upholds the philosophy of "people-centered, life paramount," attaches great importance to employees' physical health, and strives to control and eliminate occupational disease hazards, building a multi-tiered employee health protection system.

On-site Improvement Projects



In 2025, the Company cumulatively completed 103 on-site improvement projects, addressing dust, noise, ergonomics, and other hazards, accounting for 55.3%, 7.8%, 25.2%, and 11.7% of the total respectively.

Health and Hygiene Training



In 2025, the Company organized 92 employees to complete one-on-one earplug fit testing and training, and 474 employees participated in respirator fit testing. Through testing and training, employees are able to proactively and correctly wear personal protective equipment, and have developed a heightened awareness of noise and respiratory hazards.

Occupational Health Examinations



The Company provides employees with occupational health examinations on an annual basis. In 2025, Huaxin Building Materials Group conducted occupational health examinations for a total of 8,756 individuals, comprising 5,646 direct employees and 3,110 contractor personnel.

For personnel exposed to occupational hazards, the Company has established occupational health management records.

Health-Themed Activities



The Company focuses on employees' physical and mental well-being and occupational disease prevention and control, organizing online specialized knowledge learning activities covering topics such as post-traumatic stress disorder, anxiety disorders, and other mental health subjects, attracting a cumulative total of 10,615 person-times of participation.

2025 Occupational Disease Prevention and Control Projects



Shuicheng Company Aggregate Conveying Dust Control Project: The aggregate branch plant independently procured materials including water pumps, pipelines, connectors, and nozzles, and installed water mist spray equipment. By activating the equipment during the production process, dust generated by the aggregate conveying system was effectively controlled, significantly improving the on-site working environment.



Zigui Environmental Protection Company Deodorization Tower Circulating Water Pump Renovation Project: New pipelines were laid and an additional circulating water pump was installed on the mountain-facing side of the deodorization tower, with the pump positioned in an open area that facilitates inspection and maintenance. This effectively reduced the pump failure rate, while significantly decreasing the labor intensity of operational personnel and their exposure time in toxic and hazardous environments, thereby substantively safeguarding employees' occupational health.



Shiyan Hazardous Waste Company Ergonomic Drum Clamp Retrofit Project: Drum clamps were procured and deployed in conjunction with forklifts, eliminating the manual handling process, reducing the physical labor intensity of on-site operational personnel, and effectively preventing occupational disease hazards such as musculoskeletal injuries.



Honghe Company Mine Crusher and Fan Noise Reduction System Retrofit Project: Through the installation of professional silencers on crushers and fans, noise control measures were optimized, effectively reducing the noise intensity generated during equipment operation and mitigating the impact of noise on employees' hearing health, thereby substantively enhancing the level of occupational health protection in the workplace.

Enabling Growth and Development

Huaxin Building Materials Group places great importance on talent development and, in alignment with the Company's strategic planning and business needs, has organized and implemented a series of talent development and reserve programs, including reserve talent programs and overseas talent reserve programs, to further consolidate workforce development and enhance the Company's core competitiveness.

Career Development Mechanism



National Cement Industry Physical and Chemical Testing Skills Competition

Achieved 2 team second-place prizes and individual honors of **1** gold medal and **5** silver medals.



Wuhan Metropolitan Area Green Building Materials Industrial Chain Competition:

- In the Labor Competition, Packaging Branch Company won first place, Wuxue Company and Chibi Jiaotou Company won second place, and Chaocolon Company won third place.
- In the Welding Skills Competition, Equipment Manufacturing Company won the team third-place prize; Equipment Manufacturing Company won individual second-place and third-place prizes; and Ezhou Company won the individual third-place prize.
- In the Team Leader Skills Competition, Wuxue Company, Ezhou Company, and Daye Company won team first, second, and third place respectively; Chibi Company won the individual first-place prize; Ezhou Company, Yangxin Company, and Wuxue Company won individual second-place prizes; and Wuxue Company and Daye Company won individual third-place prizes.

Huaxin Building Materials Group maintains open and accessible career development pathways for talent, adhering to the principles of fairness, impartiality, and transparency. The Company has established and continuously improved employee promotion and incentive mechanisms, identifying and selecting outstanding talent through competitive selection processes for key positions to invigorate team vitality. At the same time, the Company has built a systematic performance appraisal framework, continuously advancing annual performance appraisal work, and places great emphasis on performance communication and employee coaching throughout the appraisal process to facilitate the achievement of performance objectives. In 2025, the Company continued to optimize its position classification system, piloting a unified standardized position title system for industrial-related positions within the cement business, reducing the number of industrial position titles from 632 to 186 to advance position standardization. An overseas position competency map was established for newly incorporated overseas companies, and special promotions and honorary promotions were granted to selected employees with outstanding performance.

The Company has established a comprehensive dual-track career development mechanism, providing employees with parallel career development pathways in "management" and "technical/professional" tracks. Through a multi-dimensional scientific assessment system encompassing talent reviews and succession planning, core talent identification, engineer competency assessments, and technician qualification reviews, the Company accurately identifies high-potential talent, formulates individualized development plans, and systematically advances the building of a talent pipeline.

Huaxin Building Materials Group centers on the core tasks of serving employees and supports production and business operations to advance the development of a world-class industrial and technical workforce, providing strong talent support for building a globally leading multinational building materials group. In 2025, the Company hosted the "Telling the Story of Plant History, Welcoming the Centenary of Trade Unions" event for the national machinery, metallurgy, and building materials industry, and compiled a centenary special publication of the trade union, drawing on one hundred years of plant history, the history of the labor movement, and the achievements of model workers as educational themes to promote the inspiring story of Huaxin as a pioneer among national enterprises and its century-long journey of dedicated effort. A total of 18 individuals and 9 units received model worker and advanced honors at various levels; Wu Cheng, an employee of Huangshi Company, was conferred the title of National Model Worker; 2 individuals received provincial-level honors; and 6 individuals received municipal-level model worker and May Day Medal awards.

In addition, in order to motivate employees to enhance their professional competencies and fully stimulate employees' enthusiasm for work, the Company actively organizes and participates in various knowledge, labor, and skills competitions, and has established corresponding recognition and reward mechanisms. During the reporting period, the skill levels and overall competencies of the Company's employees continued to improve steadily, with outstanding performance across multiple national, industry, and regional skills competitions, earning a cumulative total of more than 30 honors, including 4 first-place prizes.

The Company continues to build platforms for employee innovation and creativity. By incorporating AI to expand the depth and breadth of sharing on the "LeWen" platform, a cumulative total of 178 achievements have been shared, continuously expanding the Company's knowledge base. At the same time, the Company organizes in-depth implementation of the "Five Small (small inventions, small creations, small innovations, small designs, and small suggestions) and Dual Innovation (mass entrepreneurship and innovation)" activities, earning 5 municipal-level outstanding "Five Small" achievement awards.

Case

Huaxin Building Materials Group Conducts 2025 Annual Technical Review

From March to December 2025, the Company organized and conducted its 2025 Annual Technical Review. The review covered 24 job categories, with 182 employees from 76 subsidiaries and affiliated companies participating. The review was administered by 63 experts who uniformly set the examination questions, conducted unified written examinations, and conducted unified interviews, ensuring a fair and impartial assessment process. Based on the combined results of the theoretical examination, practical skills examination, and comprehensive review, 65 individuals were approved to be designated as Company-level technicians.



2025 Annual Technical Review Site

Training System Development

The Company places great importance on employee development and growth, and has established a comprehensive, multi-tiered training system to support employees in advancing steadily along their career paths. The Company has formulated a series of internal rules and regulations, including the "Training Management System", the "Internal Trainer Management Regulations", the "Training Expense Management Measures", and the "Training Management Measures for Employee Entry and Transfer", continuously improving the efficiency and quality of employee training.

In 2025, the Company continued to deepen the development of its multi-tiered training system, closely aligned with business development strategy and digital transformation needs. By making full use of high-quality internal and external resources, enhancing specialized training bases, expanding online learning platforms, and enriching customized training programs, the Company systematically strengthened employees' overall competencies, providing solid talent support for the Company's sustainable development and global footprint.

In 2025, the Company steadily advanced various talent training initiatives, effectively ensuring the quality and effectiveness of training programs and courses to meet the development needs of personnel at all levels, and driving the overall improvement of the talent pool. During the reporting period, the proportion of Huaxin Building Materials Group's employees receiving training reached 100%.

Management Training

The Company continuously delivers multi-tiered, customized management training programs with course content closely aligned with the Company's actual business operations. Senior executives and experienced managers serve as internal instructors, ensuring that training is practical and targeted. Throughout the year, the Company organized and conducted multiple Company-level customized courses, including executive training, Mini-MBA, advanced management training, and foundational management training programs, covering a cumulative total of 1,257 person-times, effectively enhancing the leadership and decision-making capabilities of managers at all levels.

In addition, the Company actively promotes digital learning by continuously providing online courses across multiple platforms, and has organized online English training programs and established English clubs, enabling employees to enhance their capabilities through flexible and accessible means, and fostering a learning organization culture.



Company President Li Yeqing Delivers a Lecture at the Mini-MBA (Cohort VI) Training Program



Company Cement Business Division Director and CMP Director Deng Xikun Delivers a Lecture at the Mini-MBA (Cohort VI) Training Program

Technical Training

The Company places great importance on enhancing the professional and technical competencies of all employees, designing customized courses based on identified training needs. During the reporting period, the Company conducted strategic key position certification training programs, including the Preventive Maintenance (PMC) course, and organized engineering training programs covering process and quality management as well as maintenance technical management, as well as technical worker training programs for entry-level and intermediate electrical maintenance workers, mechanical maintenance workers, and other technical roles. In order to keep pace with cutting-edge industry trends and deeply explore pathways for green development, the Company actively organized experts to participate in industry technical exchange conferences and technical exchange activities themed around carbon neutrality, carbon peaking, environmental protection, and energy conservation.

In 2025, the cumulative duration of technical training reached 1,668 class hours, with a total of 1,260 person-times of trainees.



Company Cold Work Layout Training



Company Intermediate Electrical Maintenance Worker Training

Professional and Functional Training

The Company provides a diverse range of professional and functional training courses tailored to personnel in different specialized roles, including procurement and logistics, marketing, finance, and human resources, laying a solid foundation for employees' career development.

Procurement & Logistics Training



In response to overseas business needs, the Company conducted English Corner activities covering business integration, everyday English scenarios, and practical project applications, with sessions divided into a "Daily Scenarios Class" and a "Business Scenarios Class," with a cumulative total of 8 training sessions conducted.

A three-month training program was organized for newly appointed regional procurement general managers, covering multiple dimensions including procurement business processes, logistics operations management, new energy cost benchmarking, financial data analysis, and leadership management, with a cumulative total of 9 sessions conducted.

The Company organized "consultative" procurement training, combining non-compliant cases from recent years with issues identified in day-to-day processes, and delivered 6 compliance and process training sessions to plant facilities through a combination of in-person and video formats, helping plants enhance compliance awareness.



Company Vice President Tang Jun Pictured with Participants at the Effective Personal Productivity Training

Marketing Training



In 2025, the Company engaged the overseas regional marketing management teams and overseas regional HR departments to assess the current state and training needs of overseas marketing teams, and organized targeted specialized training on marketing management thinking and capability building for key overseas marketing business personnel. Thematic sessions were conducted covering core content such as brand and trademark standards, brand identity application, and brand system management, supporting the standardized and regulated development of overseas marketing operations.

Throughout the year, a cumulative total of 43 marketing empowerment training sessions of various types were conducted, with 3,741 person-times of participants, comprehensively meeting the diverse training needs of personnel at all levels and in all roles within the marketing system, and laying a solid talent foundation for the high-quality development of the Company's marketing business.



Eastern Region Conducts Marketing Specialized Training

Finance Training



In 2025, the Company's finance function, with the core objectives of upgrading the digital capabilities of all finance personnel and developing practically skilled Finance Business Partner (BP) talent, established a stratified and multi-faceted innovative training system.

In terms of digital skills enhancement, three sessions of advanced Excel VBA live-streaming courses covered more than 200 participants, achieving a satisfaction rate of 94.6%. Ten high-potential employees were selected from this group for small-group teaching that combined learning with practical application, achieving a satisfaction rate of 98.8%.

Finance BP development focused on practical application, with a "From Forecasting to Decision-Making Simulation Exercise" utilized to enhance business decision-making capabilities, achieving a satisfaction rate of 97.2%.

Premium open courses were offered for key personnel, with 20 participants achieving a satisfaction rate of 97.5%. Through regular live-streaming courses delivered by internal trainers, with more than 200 participants per session, business fundamentals were continuously reinforced, achieving a satisfaction rate of 96.63%, systematically driving the transformation toward a value-creating finance team.



The Company Organizes Finance Training on "AI Data Modeling Full-Process Practicum: From Forecasting to Decision-Making"

Human Resources Training



In terms of human resources training, corporate trainer instructional skills enhancement training and new employee onboarding training were organized, covering 47 internal trainers and 71 new employees respectively, with a focus on strengthening trainer capacity development and guiding the early integration of new talent.

The Company held the finals of the Human Resources Compliance Knowledge Competition and specialized training sessions, with more than 30 participants from ten elite teams across various regions and business units. The training centered on core content including labor laws and regulations and the Company's human resources policies, and through in-depth analysis of typical labor dispute cases, visually presented key risk points and response strategies in the employment process, enhancing the Company's human resources compliance management standards and reinforcing the human resources risk protection barrier.



Human Resources Compliance Knowledge Specialized Training and Competition



Human Resources Compliance Knowledge Specialized Training and Competition

International Talent Development Programs

Leveraging the Company's Overseas Business School as a platform, Huaxin Building Materials Group continuously refines its international talent development system. The first cohort of 30 participants in the "Elite Program" successfully completed the program in October 2025 and commenced a continuing education plan. Concurrently, the Company conducted the "Kunpeng Program" from March 2025 to February 2026, enrolling an additional 60 participants. In addition, the Company reached 148 foreign management personnel through the "Global Curated Courses" program, effectively enhancing their cross-cultural leadership capabilities and strategic vision through a rich selection of online courses. These programs collectively establish an international talent pipeline spanning different levels with continuous follow-up support, providing sustained empowerment for the Company's overseas development strategy.



Company President Li Yeqing Delivers a Speech at the Graduation Ceremony of the First Cohort of the Elite Program

04

Driving Innovation to Energize the Industry Community

Driven by innovation and underpinned by quality, Huaxin Building Materials Group continuously pushes the boundaries of technology to enhance product performance and service experience. Through active industry collaboration and deeper strategic alignment with supply chain partners, we are building an open, win-win, and sustainable industry ecosystem — taking pragmatic actions to elevate the high-quality development of the building materials industry to new heights.

- 71 Championing Technological Innovation
- 77 Promoting Industry Engagement
- 80 Cementing Customer Trust
- 88 Cultivating a Responsible Supply Chain

Contribute to SDGs



Championing Technological Innovation

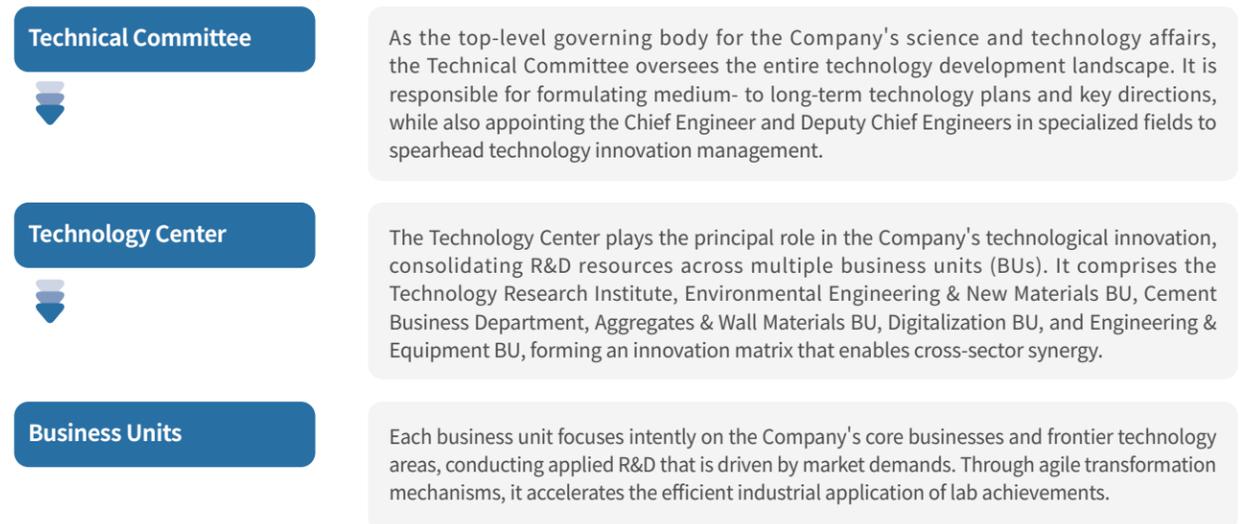
As a high-tech enterprise long dedicated to the building materials industry, Huaxin Materials has always made technological innovation the engine of our growth. Leveraging sustained investment and accumulated technical expertise, we have achieved fruitful results in both key technological breakthroughs and their practical applications. By systematically building a management system driven by the twin engines of technological innovation and intellectual property, we are fully unlocking our R&D potential and steadily advancing our capacity for independent innovation.

R&D and Innovation Management

To proactively respond to market changes and sharpen our core competitiveness, Huaxin Building Materials Group has continuously advanced the optimization and implementation of our R&D and innovation management system. On the institutional front, we established the "Interim Measures for Science and Technology Management" and the "Interim Measures for R&D Project Management" and completed a further revision of the latter in 2025 to refine role responsibilities and align them with the capital expenditure project approval cycle. At the same time, we strictly uphold the boundaries of technological ethics, systematically embedding ethical requirements into every stage of technology R&D, industrialization, and market promotion, thereby ensuring that our innovation activities are conducted in a well-regulated, transparent, and responsible manner.

R&D Organizational Structure

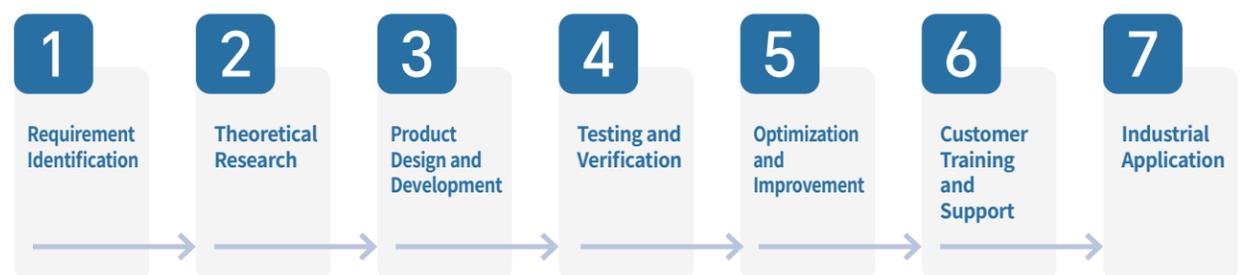
Huaxin Building Materials Group has established a clearly defined and highly collaborative R&D management system, creating a three-tier structure with the Technical Committee as the strategy-oriented guide, the Technology Center as the innovation hub, and each business unit as the agent for commercialization of scientific and technological achievements. This structure enables the centralized allocation of innovation resources and forms a closed loop for the R&D process.



R&D Process

The Company focuses on building full-cycle R&D capabilities, centering on critical stages such as demand identification, product design and development, testing and verification, and commercialization. By continuously iterating our innovation management system, we have established a highly efficient and closed-loop pathway for the transformation of R&D achievements, injecting sustained innovation momentum into the Company's high-quality development.

Huaxin Building Materials Group R&D process



R&D Strategic Objectives

Huaxin Building Materials Group established its 2025 R&D strategic objectives, focusing on key research project breakthroughs, such as the R&D of waste recycling and low-carbon technologies, product and technology optimization, market promotion, technical service expansion, talent cultivation, and research output development. These efforts are designed to lay a solid technological foundation for the Company's high-quality development.

During the reporting period, we systematically advanced various R&D initiatives by delivering multiple research projects, achieving breakthroughs in key technologies, optimizing product performance, and expanding domestic and international markets, strengthening talent cultivation, and boosting research output. These R&D efforts have been implemented in an orderly manner with remarkable results, and all 2025 R&D targets were successfully met.

In 2026, driven by the Company's four core strategies, Huaxin Building Materials Group will focus on several R&D directions such as high-performance materials, functional additives, waste recycling, and overseas technology promotion. By forming a closed loop across the three core activities of materials R&D, transformation of R&D achievements, and market promotion, we will strive to make breakthroughs in key technologies such as superhydrophobic coatings and high-strength composites, while advancing the industrial application and global commercialization of products and technologies like LC3 cement and self-synthetic admixtures. Also, we are aiming for the conversion into production for technologies such as phosphogypsum waste recycling.

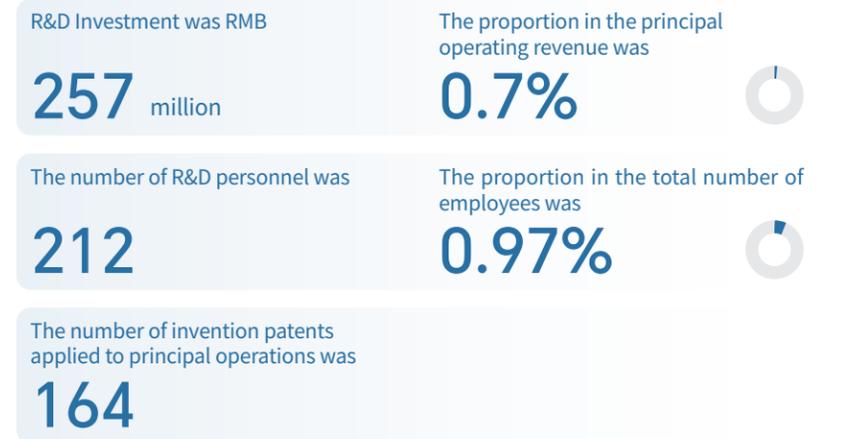
R&D Talent Training



Hubei Provincial Science and Technology Innovation Youth Commando - Special Prize

Huaxin Building Materials Group continuously improves its R&D talent cultivation system, systematically enhancing team expertise through initiatives such as the "master-apprentice" program, specialized technical training, and reserve talent programs. Our innovation R&D teams distinguished themselves in various competitions and evaluations, winning honors such as the Hubei Provincial Science and Technology Innovation Youth Commando Special Prize and the "Dongchu Artisan" award. Additionally, two of the teams won the Second Prize in the 2025 Cement Industry Skills Competition, showcasing their outstanding technical strength and innovation vibrance. Meanwhile, the Hubei Provincial Key Laboratory for Green and Low-Carbon Cement was rated as Excellent for the year, further testifying the Company's significant achievements in building scientific research platforms and cultivating key technical talents.

2025



R&D and Innovation Outcomes

In 2025, guided by an innovation-driven philosophy, Huaxin Building Materials Group has advanced technological breakthroughs, transformation of scientific and technological achievements, and digital-intelligent upgrades in tandem. Building on fundamental theories and technical research, we have accelerated product rollout and industrial application. Through the application of digital technologies, we boosted our global deployment, thereby continuously solidifying our technology leadership and innovation-driven development momentum in the building materials industry.

Fundamental Technology Research

In 2025, Huaxin Building Materials Group achieved remarkable results in foundational technology research. Through continuous efforts in high-performance materials, waste recycling, and product application research, we have consistently filled domestic gaps and overcome key technological challenges, while proactively participating in and undertaking major national projects. This has reinforced our leading position at the forefront of industry technology. We will keep on consolidating our technological foundation and generating innovation momentum.

Huaxin Building Materials Group 2025 Major Breakthroughs in Fundamental Theories and Key Technologies

High-Performance Materials

Developed a new type of ultra-high strength, high-toughness cement-based composite materials. Its performance indicators have achieved a significant leap, filling a domestic gap in this field. Specifically, the UHPC (Ultra-High Performance Concrete) material demonstrates exceptional performance, with a compressive strength of up to 585 MPa for cubes and 765 MPa for mortar bars, setting a new industry benchmark.

Synthesized a cement-based aerogel with superhydrophobic and superoleophobic properties. The developed LC3 cement project has met national standard performance requirements, laying the foundation for large-scale low-carbon cement applications.

Resource Recycling & Solid Waste Utilization

Overcame key technical challenges in solid waste recycling, such as the low-temperature decomposition of phosphogypsum and clarified the influence mechanism and precise thresholds of doping elements like phosphorus and magnesium on clinker performance, providing a theoretical basis for the safe, efficient, and large-scale utilization of industrial solid waste.

Applied Technology Research

Developed moisture-resistant modified materials and completed applied research on materials like manufactured sand in specialty mortars, leading to the R&D, commissioning, or technology reserve of 11 specialty mortar products, thereby accelerating the rapid transformation of research output.

In terms of major scientific research projects, Huaxin Building Materials Group initiated and executed 103 R&D projects in 2025. This includes deep participation in 2 national key R&D programs and 5 provincial- and ministerial-level major science and technology projects.

Major Special Projects Undertaken

National Key R&D Program: "Silicate cementitious materials manufacturing process high-efficiency carbon-reducing engineering theory and technology"

National Key R&D Program: "Research and Application of Key Technologies for Efficient Carbon Capture from Solid Waste and High-Performance Preparation of Carbon-sequestering Building Materials"

Hubei Provincial Central-Guided Local Science and Technology Development Special Project: "Key Technologies for Ultra-High Tensile-Flexural Strength Cement-Based Composite Materials"

Hubei Provincial Science and Technology Plan Project: "Key R&D Technologies for Multifunctional Inorganic Nano Cement-Based Coatings"

Hubei Provincial Key R&D Program: "Deep Decarbonization Technologies and Applications in the Cement Industry"

Projects Shortlisted for the "Open-Competition" R&D Projects

Ministry of Industry and Information Technology (MIIT) Future Industry Innovation Task "Open Competition" Project: "Hydrogen-Coupled Low-Grade Fuel Calcination Cement Technology and Complete Equipment"

Ministry of Industry and Information Technology Future Industry Innovation Task "Open Competition" Project: "Hydrogen-Coupled Low-Grade Fuel Calcination Cement Technology and Complete Equipment"

The Fifth Batch of National Building Materials Industry Major R&D "Open Competition" Project: "Key Technologies and Applications for AI-Agent Collaborative Smart Cement Plants"

Promotion and Industrial Application of Scientific Research Products

In 2025, Huaxin Building Materials Group made significant strides in advancing the commercialization of its R&D achievements, with systematic breakthroughs in both new product rollout and global market expansion.

Internal Production of New Products

High-performance concrete modifiers and UHPC modifiers have been put into production at Huaxin Xijiesi Changsha Company and Huaxin Ductal® Chaokelong™ Huangshi Company, respectively.

Completed trial production of high-temperature castables and low-temperature wear-resistant materials and implemented trial application and verification in engineering projects at multiple cement plants, including Wuxue and Yangxin.

Process Optimization Driving Product Rollout

The performance of ultra-low shrinkage UHPC and manufactured-sand UHPC has been continuously optimized. Concurrently, the cost of aggregates for high-temperature wear-resistant materials was reduced by over 50%, and the cost of dry-mix UHPC for small municipal components was controlled under RMB 800 per ton. Ductal® Chaokelong™ UHPC and slurry-based products achieved stable cross-regional promotion.

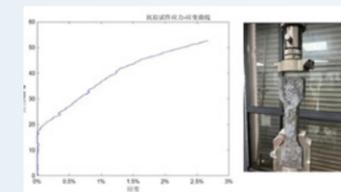
Global Market Breakthroughs and Technical Service Export

Overseas market expansion yielded remarkable results, with proprietary products successfully replacing international brands. The Company's self-developed grinding aids entered eight plants across four African countries, including Mozambique, South Africa, and Zambia. Products such as cement-based putty and tile adhesives were also put into production in multiple countries, including Tanzania and Zimbabwe.

Throughout the year, the Company provided over one hundred instances of on-site technical services overseas, covering regions such as Zambia, Mozambique, and South Africa.

Case

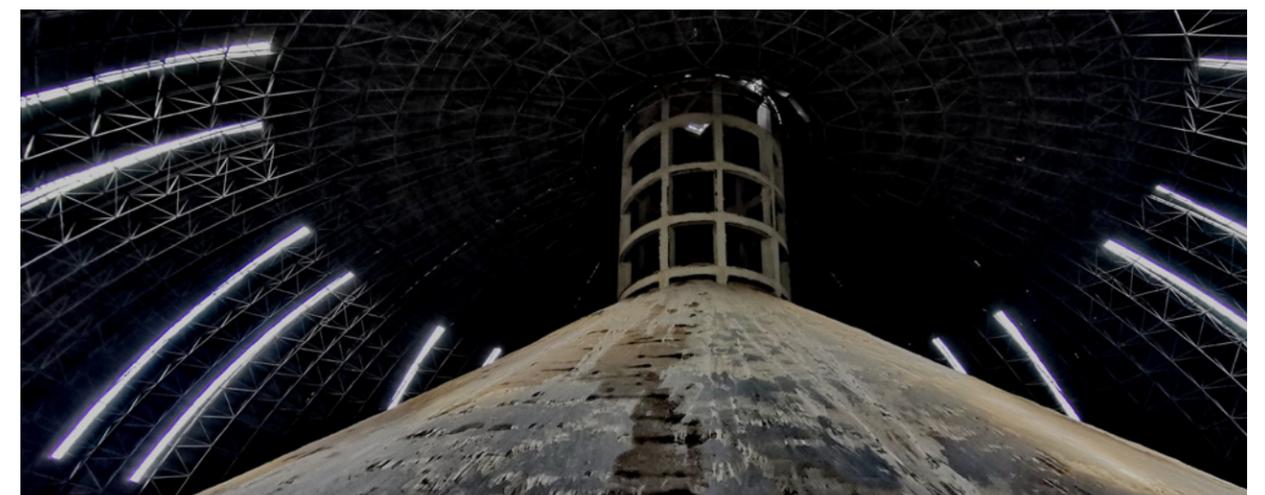
Huaxin Building Materials Group's New Cement-Based Composite Material Contributes to Hydropower Projects on the Yarlung Zangbo River



Testing of Huaxin's self-developed new cement-based composite material

Huaxin Building Materials Group achieved a major technology breakthrough, successfully developing a new type of ultra-high strength, high-toughness cement-based composite material. Several key performance indicators of this product lead among international counterparts. It has not only enabled the preparation of large-size, large-volume, high-quality components but has also significantly broadened the application prospects of ultra-high performance cement-based materials in national strategic projects.

This innovation has been translated into significant engineering value. Products manufactured by the Company using this technology system have been successfully applied in several key hydropower projects in the Yarlung Zangbo River basin. As of the end of 2025, the Company has served as the exclusive supplier of cement for four hydropower stations (both completed and under construction) in the basin, supplying over 2.3 million tons of cement. This includes nearly one million tons of special moderate-heat and low-heat cement, supporting the construction of critical national infrastructure with its superior performance.



Digital Transformation

In 2025, Huaxin Building Materials Group achieved systematic progress in its digital transformation. The Company's international digitalization proceeded in tandem with the development of a global digital control platform, overseas online marketplace, and plant ERP systems. Concurrently, a key breakthrough was made in marketing digitalization with the launch of the "self-pickup" service on the "Huaxin Mall" mini-program, which was rolled out across all domestic plants, realizing full-chain digital integration from online ordering to physical delivery of products such as cement. In 2025, Huaxin Building Materials Group's digital governance capabilities received authoritative recognition, with three subsidiaries attaining Grade AAA certification in the digital transformation management systems. Among them, Huaxin Changyang Company obtained Grade AAA certification in the Integration of Informatization and Industrialization management System.



Integration of Informatization and Industrialization Management System Certificate (Grade AAA) — Huaxin Changyang Company



Digital Transformation Management Systems Certificate (Grade AAA) — Huaxin Changyang Company



Digital Transformation Management Systems Certificate (Grade AAA) — Huaxin Yichang Company



Digital Transformation Management Systems Certificate (Grade AAA) — Huaxin Zigui Company

Case

Huaxin's Innovative Application of Lifecycle Hazardous Waste Management on the Blockchain

Huaxin Materials developed the "Huilian Zhida" intelligent hazardous waste management system, integrating blockchain and IoT technologies. By using the blockchain to store full-lifecycle hazardous waste data, the system enables closed-loop processing (packaging, weighing, transport, and disposal) and complete traceability. It also provides a digital monitoring dashboard to support regulatory decision-making.

Through this system, enterprises can achieve intelligent management of hazardous waste throughout the entire process — from generation to final disposal — significantly improving both the efficiency and safety of hazardous waste management while greatly reducing environmental pollution risks.

In 2025, this project was selected by the MIIT as a typical case of the integration of digital and real economies, establishing itself as a benchmark for the synergistic digital and green transformation of the building materials industry.

Case

Huaxin Selected in the First Batch of National Excellent-level Intelligent Plants



Industrial Production Digital Management Dashboard

In 2025, Huaxin's "Full-process Low-carbon Intelligent Cement Plant" project was selected for the first batch of the "Excellent-level Intelligent Plants" List by the MIIT. This marks that its digital and intelligent capabilities have reached a leading level within the domestic industry. Tailored to the characteristics of cement production operations, the project relies on three core platforms — Business Intelligence, Industrial Intelligence, and Management Intelligence — to optimize the industrial and supply chain structure, reform processes, and improve safety standards. It comprehensively optimizes production operations to create a big-data-driven low-carbon smart cement plant, setting a benchmark for the industry's transformation.

Owing to its outstanding performance in digital-intelligent transformation, the Company has also been honored with recognitions including National "Digital Navigator" Enterprise (1st batch), National Smart Manufacturing Demonstration Plant, and National Industrial Internet Platform Demonstration Project from the MIIT.



2025

The "Innovative Application of Lifecycle Hazardous Waste Management on the Blockchain" project was selected as a typical case of the integration of digital and real economies by the MIIT.

Chongqing Huaxin Diwei Cement Co., Ltd.'s "Basic-level Smart Factory for Water Scrubbing and Salt Extraction" was selected for the 2025 Chongqing Municipal Smart Factory List.

The "Global Digital Control for AI-Driven Multinational Building Materials Enterprises" project was honored with the "Technical Effectiveness Award" on the Digital-Intelligent Pioneer List at the "Dingge Award".

Huaxin Cement (Sangzhi) Co., Ltd. was selected for the 2025 Hunan Provincial Advanced-level Smart Factory List.

Intellectual Property Protection

Huaxin Materials has integrated its intellectual property protection system into its innovation framework, strictly complying with relevant national laws and regulations, including the Intellectual Property Law of the People's Republic of China and the Detailed Rules for the Implementation of the Patent Law of the People's Republic of China. By establishing internal policies such as the "Interim Measures for Patent Management", we systematically manage the entire process of patent application, authorization maintenance and entrusted agency, thereby providing a solid institutional foundation for R&D innovation and the protection of our proprietary intellectual property. In 2025, leveraging our well-established IP management system, we were shortlisted for the proposed "2025-2027 Demonstration Initiative for Building an Intellectual Property Powerhouse".

2025

Number of patents declared

85

Number of utility model patents authorized

9

Papers published in national core journals

15

Number of patents authorized

65

SCI-indexed papers

2



Promoting Industry Engagement

Huaxin Building Materials Group actively engages in industry exchange through leading the upgrading of industry norms through standard setting, joint R&D efforts to tackle common challenges, and sharing the Huaxin approach through seminars and discussions, thus contributing on multiple fronts to a sustainable building materials industry ecosystem.

Formulation of Industry Standards

In 2025, Huaxin Building Materials Group fully leveraged its technology leadership in the building materials industry, deeply involving itself in standard-setting activities across national, local, industry association, and enterprise levels. By translating our innovations into industry norms, we actively advanced the development and refinement of key standard systems, including green product evaluation and carbon measurement technologies, thereby providing critical technical benchmarks for the high-quality development of the building materials industry.

Case

Huaxin Participated in Developing a National Standard



Huaxin received an honor certificate for participation in the drafting of the national standard

As a primary drafting unit, Huaxin Building Materials Group deeply participated in the development of the national standard "Green Product Assessment — Ready-mixed Mortar for Decoration" (GB/T 44177-2024). Officially implemented on January 1, 2025, this standard establishes a comprehensive green product evaluation system covering resources, energy, environment, and quality. With a strong focus on limiting hazardous substances such as radioactive materials and heavy metals, it sets a stricter safety threshold for household mortars, filling a gap in national standards within this field. In recognition of the Company's professional contributions to the drafting and validation of this standard, Huaxin Materials was honored with a certificate from an authoritative issuing body in June 2025.

Case

Huaxin Leads the Development of Four Carbon Measurement Technical Specifications, Setting Benchmarks for Industry Decarbonization



The Hubei cement carbon measurement technical specifications, with Huaxin Building Materials Group as the leading drafting unit, passed expert review.

In December 2025, four technical specifications for carbon measurement in Hubei Province's cement industry passed expert review. These specifications were jointly developed by Huaxin Building Materials Group as the leading unit, in collaboration with the Hubei Institute of Measurement and Testing Technology and the National Institute of Metrology, China.

The specifications systematically cover the full chain of carbon measurement, from monitoring and verification of clinker output and quantification of carbon emissions to digital platform management. They are designed to establish a precise and reliable carbon emissions data foundation for the industry, thereby enhancing the scientific soundness and efficiency of emissions reduction management. This work provides critical technical standard support for energy conservation and carbon reduction in Hubei Province's cement industry and beyond, demonstrating Huaxin's commitment to advancing industry decarbonization.

Case

Huaxinshifu® Series Products Recognized as Huangshi "Quality Standards"



The four Huaxinshifu® standards were certified as Huangshi "Quality Standards."

In 2025, four key standards for the Huaxinshifu® series products were recognized as Huangshi "Quality Standards." These four standards cover core application scenarios such as door and window gap filling, wall repair, exterior wall bonding, and on-site construction, establishing rigorous technical specifications for product performance. Among them, the association standard "Lightweight Cementitious Sealing Mortar for Door and Window Frames" focuses on seepage prevention and high adhesion, while the remaining three enterprise standards, including "Polymer Cement Repair Mortar", set explicit high requirements for strength, durability, and environmental performance during application. This recognition not only affirms the Company's capabilities for standardization and R&D, but also, ensures the reliable quality of end products and the safety of users through a quantifiable and rigorous standard system.

Case

Huaxin Materials Drafts Product Standard for Wall Materials Made from Aggregate Tailings

In May 2025, the association standard "Autoclaved Aggregate Tailings Brick", developed by Huaxin Building Materials Group as a drafting unit in collaboration with Wuhan University of Technology, Hubei Provincial Academy of Building Research and Design Co., Ltd., and Hubei Building Materials Energy Saving Testing Center Co., Ltd., successfully passed expert review. This achievement not only fills a domestic gap in standards for eco-friendly bricks manufactured from aggregate tailings but also sets a new benchmark for the green transformation of the aggregate and wall materials industry, demonstrating Huaxin's industry leadership and commitment.

Joint Research Projects

Huaxin Building Materials Group has actively advanced industry-university-research collaborative innovation, partnering with universities and research institutions to jointly build national-level R&D platforms. By focusing on common industry challenges through joint efforts, we leverage technological breakthroughs to enable the green transformation and safe development of the sector.

Case

Huaxin Building Materials Group Participates in Co-establishing the State Key Laboratory of Silicate Materials for Architectures

Facing the dual challenges of high carbon emissions in the silicate building materials industry and reliance on imports for high-end products, Huaxin Building Materials Group joined hands with Wuhan University of Technology and Anhui Conch Group Co., Ltd. in 2025 to jointly establish the State Key Laboratory of Silicate Materials for Architectures. Oriented towards major national needs, the Laboratory focuses on three core directions: the fundamentals of silicate science, low-environmental-impact manufacturing, and the preparation and application of advanced building materials. It is dedicated to developing key core technologies such as the creation of advanced building materials and low-carbon preparation, efficiently driving the large-scale application of innovative achievements and spearheading industrial upgrades.

Case

Second Prize Certificate for Scientific and Technological Progress Award in Hubei Province



In 2025, Huaxin Building Materials Group joined force with Wuhan University of Science and Technology and China University of Geosciences (Wuhan) to complete the research project of "Key Technologies for Rheological Disaster Mechanisms and Dynamic Prevention of High Slopes with Gently Inclined Weak Interlayers". The project won the Second Prize for the Scientific and Technological Progress Award in Hubei Province. Addressing the industry-wide challenges of unclear rheological deformation mechanisms and a lack of effective prevention technologies for high slopes affected by weak interlayers, the project innovatively developed experimental techniques and equipment that could simulate rheological behavior through coupling rainfall and blasting, systematically revealing the rheological disaster mechanisms of such slopes.

Based on these research findings, the team successfully constructed a comprehensive prevention and control technology system encompassing dynamic early warning, innovative treatment, and integrated control. This system has been applied in several of Huaxin's own mines, including Zigui and Diqing, significantly enhancing slope safety and production stability, and delivering significant safety, economic, and social benefits.

Exchange and Seminar Activities

Huaxin Building Materials Group actively participates in high-level discussions and standards development both domestically and internationally, leveraging its professional expertise to advance the green transformation and standardization of the industry.

Case

Huaxin Building Materials Group Participates in UN Circular Economy Seminar



Expert from the Company's Cement Business Department presenting and sharing insights at the UN seminar.

In September 2025, Huaxin Building Materials Group was invited to participate in the international seminar "Scaling Circular Solutions" organized by the United Nations Industrial Development Organization (UNIDO) in Bangkok, Thailand. An expert from the Company's Cement Business Department delivered a keynote speech, systematically presenting Huaxin's innovative practices and proven expertise in promoting the circular economy, low-carbon development, and industrial co-processing. The presentation contributed valuable corporate solutions to support the transition of circular economy initiatives in Asia from pilot projects to policy implementation.

Case

Huaxin Building Materials Group Supports Hosting of Building Materials Industry Standardization Conference Series

In December 2025, Huaxin Materials supported and hosted a series of key industry events in Wuhan, including the Annual Conference of the Subcommittee on Energy Management in the Building Materials Industry (SAC/TC20/SC10) of the National Standardization Technical Committee of Energy Fundamentals and Management, a standardization workshop, and a training session for standardization professionals. As a supporting and organizing unit, the Company actively facilitated the setup of this high-level dialogue platform. Mr. Li Yeqing, President of the Company, presented the Subcommittee's 2025 achievements in revising energy conservation standards and outlined the direction for future efforts. The series of events focused on summarizing the achievements of the 14th Five-Year Plan and planning for the 15th Five-Year Plan, with in-depth discussions on key topics such as the transition of energy consumption standards towards carbon cap. Additionally, through dedicated training course, the event equipped nearly 150 industry professionals with expertise in standardization.



President Li Yeqing attending the Annual Conference and Standards Seminar of the Subcommittee (TC20/SC10)



The "2025 Standardization Talent Training Course for the Building Materials Industry," organized by the China Building Materials Federation and supported by Huaxin, is held in Wuhan



Cementing Customer Trust

Huaxin Building Materials Group always regards quality as the foundation of its business and firmly believes that outstanding products and services are fundamental to winning customer trust, building brand value, and forging core competitive strengths. The Company safeguards product standards through rigorous quality control systems, responds to customer expectations through agile service mechanisms, and protects customer rights and interests through robust information security safeguards, thereby enhancing the end-to-end experience of its products and services.

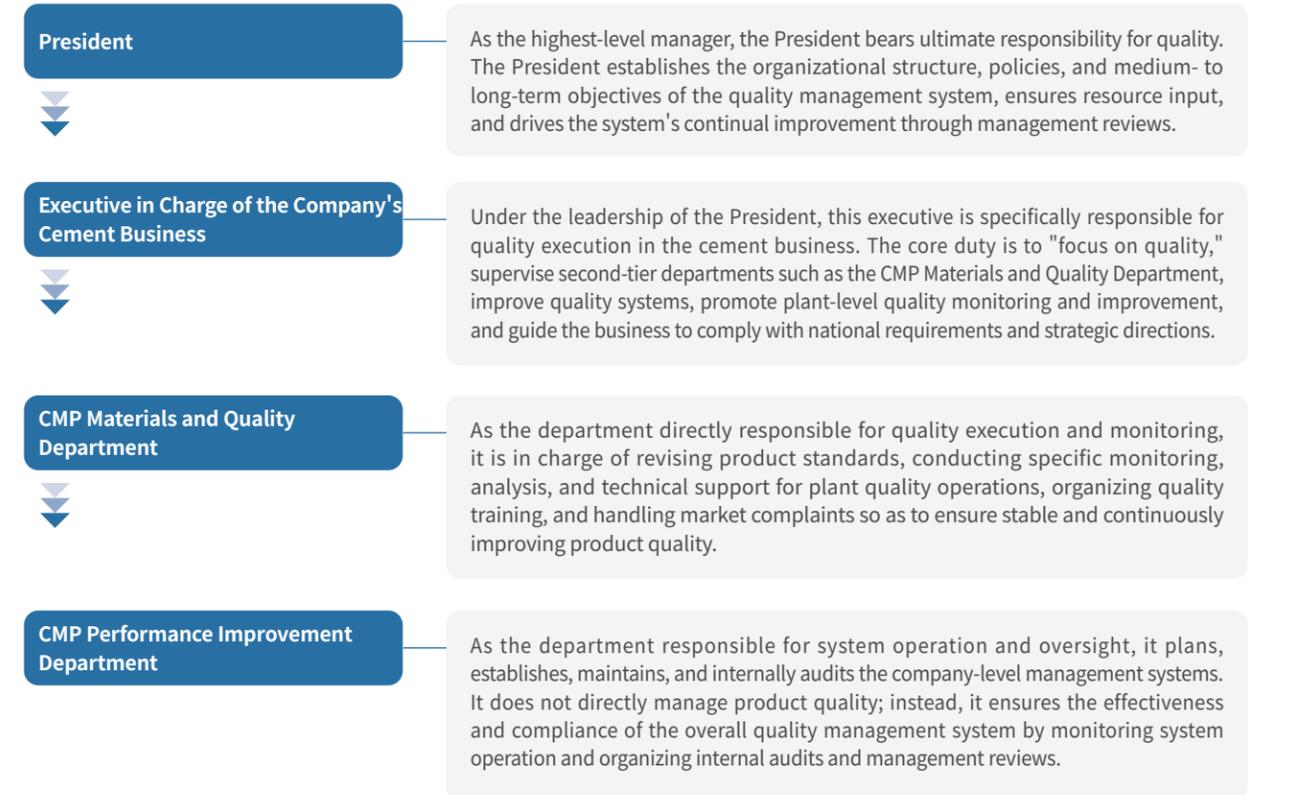
Quality Assurance

Huaxin Building Materials Group regards product quality as the lifeline of the enterprise. Centering on customer satisfaction, the Company has established a closed-loop quality management system covering the entire product life cycle. Through strict compliance with laws, regulations, and internal systems, a clearly defined organizational structure, systematic quality control procedures and measures, and ongoing development of a quality culture, the Company ensures quality is controlled throughout the entire process, from R&D to delivery.

Quality Management System

Huaxin Building Materials Group strictly complies with the Product Quality Law of the People's Republic of China and the Administrative Procedures for Cement Production Enterprises. In 2025, it also updated the "Management Manual" of Huaxin Building Materials Group Co., Ltd. It established a customer-satisfaction-centered, closed-loop quality management system covering the full product life cycle. Regulatory requirements are embedded into core business processes, including market research, planning, design and development, procurement, production control, product release, and performance improvement, with enhanced control over key production stages such as clinker calcination and cement grinding.

Upholding the principle of "optimized management and lean efficiency," the Company has established a clearly defined organizational structure to ensure the effective operation of the quality management system:

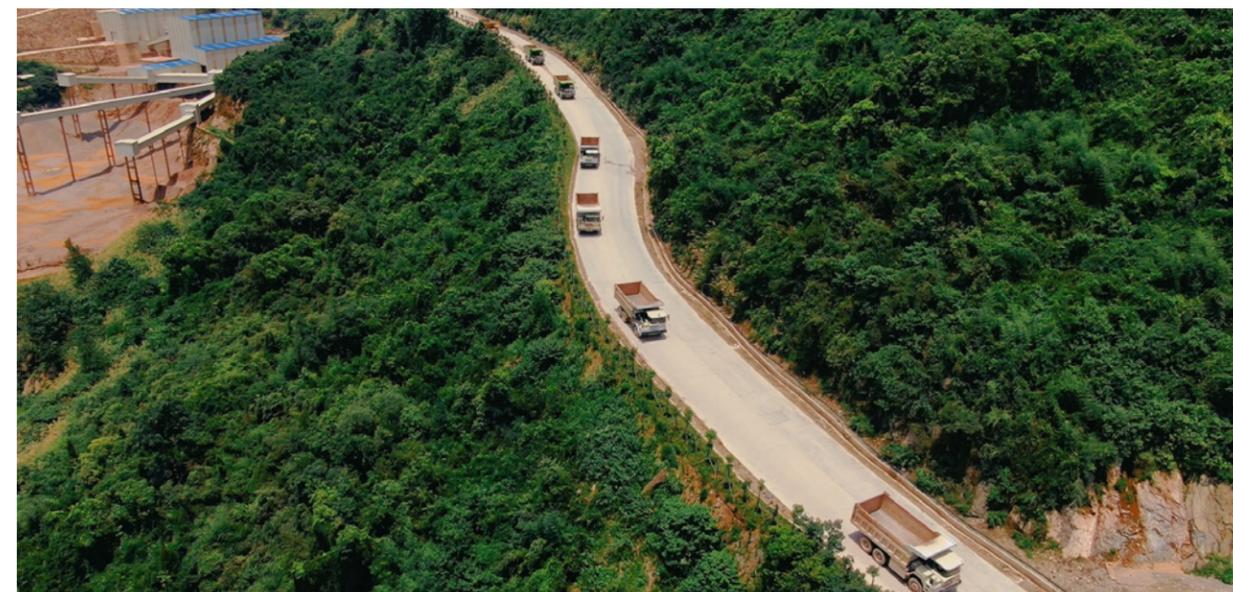


The Company's quality management system is also effectively implemented and localized at the subsidiary level

Huaxin Packaging Company strictly follows the Group's system requirements. It has obtained ISO 9001:2015 quality management system certification and completed two internal audits in 2025. Its products strictly implement the national standard "Cement Packaging Bag" (GB/T 9774-2020) and have passed inspection by the Huangshi Product Quality Supervision and Inspection Institute.

Huaxin Building Materials Group's overseas plants have established localized product quality supervision systems centered on local compliance and supported by internal control standards. They follow a closed-loop management model covering raw material procurement, production process control, finished-product inspection, logistics delivery, and after-sales traceability, complemented by routine audits and assessment mechanisms.

In 2025, among the Group's production-oriented subsidiaries, 110 had obtained ISO 9001 quality management system certification in aggregate; the certification rate among operating cement-business subsidiaries reached 100%. Meanwhile, all overseas production-oriented subsidiaries passed country-specific quality management certifications, all plant laboratories completed acceptance filing, and daily operations and quality compliance across all product categories reached 100%.



Quality Control Procedures

Huaxin Building Materials Group has established systematic quality control procedures that run through the entire product life cycle, ensuring that every stage from the source to delivery remains under control.



Quality Control Measures

In 2025, business units across Huaxin Building Materials Group actively implemented the Group's quality management systems and procedures, adopting a series of quality control measures to ensure quality standards are effectively delivered throughout the product life cycle.

Strengthening Input and Process Inspection

- Huaxin Packaging Company conducts 100% inspection of key raw materials against multiple performance indicators, including fabric width, tensile load, elongation, warp and weft density, and basis weight, and has established quality requirements for products at each production stage.
- Huaxin Building Materials Group's overseas plants have built end-to-end quality verification systems covering raw material entry inspection, online production-process monitoring, and finished-product release verification.
- At the execution level, professional quality inspection teams monitor and sample key processes in real time.
- At the technology level, intelligent quality inspection systems, MLD inspection systems, and other advanced technologies are widely applied to move quality control further upstream and ensure products meet applicable local standards.
- At the mechanism level, internal and external testing is carried out on a regular basis, and identified quality risks are tracked and rectified through formal registers.

Building a Digital Quality Management Platform

- To enhance product quality stability and achieve more refined and traceable quality control, overseas plants of Huaxin Building Materials Group have introduced digital traceability systems to track data throughout the entire product life cycle.
- They have also built information management platforms covering the full value chain and have already implemented modules such as refined coal pre-blending management, 28-day strength prediction for outgoing cement, and automatic push delivery of quality data. These tools enable production and quality management personnel to obtain quality information quickly and accurately, and provide efficient data support for quality-related decisions.

Closed-Loop Management of Nonconforming Products

- Huaxin Packaging Company has formulated a sound nonconforming product handling process and tracks quality control information in a refined manner to prevent nonconforming products from leaving the plant.
- Huaxin Building Materials Group's overseas plants strictly implement the Group's "Control of Nonconforming Outputs" and the associated processes for isolation, evaluation, recovery, and disposal of nonconforming products. Through rapid control, graded approval, recovery and remediation, and corrective and preventive measures, quality issues are resolved in a closed loop.

Quality Culture Development

To continuously strengthen the talent foundation for quality management, Huaxin Building Materials Group has established systematic training and capability-building mechanisms. Through multi-level, targeted thematic training, as well as active participation in external professional exchanges and competitions, the Company has effectively enhanced the professional competence and management capability of quality personnel at all levels.

Case

Huaxin Zigui Company Won the "Full Compliance Award" in the 20th National Cement Quality Index Inspection Comparison



Plaque of the "Full Compliance Award"

In the 2025 "Yumeng Environmental Cup" 20th National Cement Quality Index Inspection Comparison, Huaxin Zigui Company received the "Full Compliance Award" in recognition of its outstanding performance. Organized by the National Cement Quality Inspection and Testing Center, the event is an authoritative industry benchmark in quality inspection capability. Huaxin Zigui Company has consistently adhered to a quality-first approach, established a full-process quality management system covering raw materials, production, and product release, and relied on its professional team and advanced equipment to ensure that all inspection indicators in this comparison met the required standards, demonstrating its leading capability in cement quality inspection and control.

2025

Major safety and quality accidents related to products and services

0

The pass rate of products produced throughout the year

100%

Products that have been recalled after sales and shipping due to quality or safety issues

0%

Customer Service

Huaxin Building Materials Group has always upheld a customer-centered service philosophy and placed customer experience in an important position in enterprise development. Through systematic service system development and continuous innovation, the Company is committed to providing customers with high-quality products and attentive, reliable services, embedding customer satisfaction throughout the full process from service planning and delivery to after-sales service.

In 2025, the Company continued to improve its customer service management framework. Based on the "Customer Management System" and the "Administrative Measures for the Development and Operation of Key Marketing Projects", it additionally issued the "Guiding Opinions on Relationship Management for Major Overseas Chinese-Funded Customers" and the "Notice on Upgrading the Company's Customer Incentive System", further strengthening a customer management system that covers both domestic and overseas markets and coordinates strategic accounts and day-to-day operations, thereby providing clear institutional support and process safeguards for faster service response and better customer experience.

Digital Innovation in Customer Service Processes

- In China, the Group launched a new mini-program for retail customers on Huaxin Mall, enabling end-to-end online services including order placement, payment, logistics tracking, and access to electronic quality certificates, significantly improving transaction efficiency and transparency.
- Overseas companies of Huaxin Building Materials Group continued to develop the "Huaxin Mall + ADL Dispatch System," enabling customers to place orders and reconcile accounts on their own while also supporting demand coordination and integrated management across multiple countries, thereby systematically improving overseas customers' procurement and dispatch experience.

Customer Complaint Response and Handling

- The Company formulated and optimized dedicated systems such as the "Administrative Measures for Customer Technical Service and Complaint Handling", clearly defining management responsibilities and time requirements from complaint receipt and escalation to on-site handling.
- The Company has set up a nationwide unified service hotline to receive customer feedback and complaints, ensuring that all feedback quickly enters standardized internal handling procedures.
- After a complaint occurs, sales personnel arrive on-site within 24 hours to verify the matter and report it. The department manager then approves the handling plan within one working day, and technical service personnel complete on-site response within 24 hours within the province and 48 hours outside the province, ensuring that each complaint is verified on-site, closed in a timely manner, and communicated back promptly.

Systematic Monitoring of Customer Satisfaction

- The Company has built a tiered customer satisfaction monitoring system coordinated by domestic marketing departments and jointly implemented by subsidiaries and relevant marketing teams. Information is systematically collected, analyzed, and evaluated, and the results are used to drive service improvement.
- In 2025, the Company conducted dedicated customer satisfaction surveys on key links such as logistics and the 2C mall mini-program, with generally positive feedback.

Routine Customer Communication Mechanisms

- The Company actively organizes customer exchange forums, distributor roundtables, industrial customer seminars, and diversified activities such as "Summer Cooling Deliveries," communicating product and service information to customers while proactively listening to and responding to their needs.

Demand-Oriented Customized Services

- Huaxin Packaging Company conducts targeted R&D and rapid response based on specific customer requirements, successfully developing new products such as BOPP color-film bags. During sales and service delivery, it updated sample versions 321 times over the year and developed 24 new inks and colors.
- Overseas companies of Huaxin Building Materials Group implement a "one-country-one-brand" branding and customization approach, localizing the Huaxin Mall operating system and brand communication according to the commercial environment and customer habits in each country. In Nigeria, for example, the Company introduced flexible mixed-load supply solutions based on continuous customer demand research to meet the specific needs of small and medium-sized customers.

Case

Huaxin Building Materials Group Selected into Asia's Top 500 Brands for 10 Consecutive Years



Certificate of Asia's Top 500 Brands

In 2025, Huaxin Building Materials Group was selected into the World Brand Lab's Asia's Top 500 Brands list for the tenth consecutive year, ranking No. 159 and continuing its steady rise. The Company's growing brand influence and market position are rooted in its long-term commitment to customer service. Based on core indicators such as brand loyalty and market share, the ranking directly reflects the long-term effectiveness of the Company's brand strategy and internationalization efforts. Going forward, the Company will continue to put customers first, adhere to the three major directions of low-carbon development, intelligent transformation, and globalization, deepen its global service network and localized operations, and strive to create greater value for customers around the world.

Case

Upgrading the "Customer Incentive Management System"

In 2025, Huaxin comprehensively upgraded its customer incentive management system through digitalization to enhance the transparency and standardization of customer service. The upgraded system enables online application, approval, and settlement throughout the full process, and is linked with the price management system to ensure that incentive policies are implemented clearly, fairly, and efficiently. By clarifying settlement deadlines, simplifying approval procedures, and eliminating offline operations, the Company strengthened the compliance and controllability of incentive handling, effectively protecting customer rights and interests through refined management and significantly improving customer experience.

2025

Complaint handling rate for product and service complaints received

100%

Customer satisfaction rate

98%

Percentage of customers participating in customer satisfaction surveys

83%

Privacy Protection and Data Security

Huaxin Building Materials Group fully recognizes the importance of privacy protection and data security to efficient business operations and customer trust. The Company is committed to building a comprehensive security protection system covering customer information and core operating data, and to providing customers with a trusted, reliable, and sustainable data security barrier.

Customer Privacy Protection

Huaxin Building Materials Group regards customer privacy protection as a cornerstone of safeguarding customer rights and interests and has systematically established a multi-dimensional protection system covering institutions, personnel, and technology. Through the "Customer Management System", the Company clearly stipulates that all employees with access to customer files and information must sign the "Confidentiality Agreement on Customer Files and Information", thereby strictly constraining information use at the institutional level. Confidentiality requirements are also incorporated into employee codes of conduct, such as the "Integrity Commitment for Marketing Personnel", expressly prohibiting employees from disclosing company trade secrets or revealing third-party customers' commercial information to customers, and embedding privacy protection into day-to-day employee behavior.

At the technical and managerial level, the Company commits that all information processing follows the principles of lawfulness, legitimacy, and necessity, and applies strict controls to online platforms such as the Huaxin Mall app and web portal:

- A clear privacy policy is proactively disclosed to customers, setting out the scope of information collection and use.
- Tiered data access permissions are established in the backend systems so that customer information is handled only by authorized personnel within the necessary scope.
- Access permissions are applied to office devices to prevent information leakage through unauthorized channels.

Data Security Management

Huaxin Building Materials Group places great importance on data security management and is committed to "protecting customer rights and interests through robust privacy and data security controls." The Company has established a systematic defense framework covering governance, rules and procedures, protective measures, and awareness enhancement, providing solid support for both business operations and customer rights.

The Company has established a data security governance structure with clearly defined responsibilities. The Board-level Audit and Risk Committee undertakes the highest oversight responsibilities; the Data Security Management Committee is responsible for strategic decision-making and leadership; and the office under the committee together with the Information Security Department of the Digital Innovation Center are responsible for day-to-day execution and professional technical work. This structure operated steadily throughout 2025, ensuring both the authority and continuity of management activities.

In 2025, Huaxin Building Materials Group completed a systematic upgrade of its information security management system, fully aligning the previous system with the latest ISO/IEC 27001:2022 standard. The Company has established a comprehensive set of rules, including the "Information Security Management Provisions", the "Confidentiality Management Provisions", and the "Administrative Measures for Information Systems". To support global operations, it also added the "Information Security Management Standards for Overseas Companies of Huaxin Building Materials Group" in 2025. In addition, the Company regularly reviews and updates all such systems to ensure their ongoing applicability. In 2025, the system successfully passed surveillance audits and recertification by external certification bodies and remained stable and effective in operation.

In 2025, No significant information security incidents occurred throughout the year.



Information Security Management System Certification Certificate of Huaxin Building Materials Group

Key Data Security Protection Measures

Basic Access Control

All systems are subject to mandatory account-password authentication and strict permission hierarchies, while connections between internal and external networks must go through encrypted VPNs, controlling access risks at the source.

Security Vulnerability Management

Through third-party penetration testing, internally organized simulated attack testing, and active participation in external real-world cyber offense and defense drills, the Company blocks potential risks and builds a proactive defense system. In 2025, the Company proactively identified and remediated 38 security vulnerabilities, organized one internal simulated attack test, and actively participated in two simulated attacks organized by relevant entities, with excellent defense results.

In 2025, the Company completed internal security audits of core IT systems and cooperated in external special audits to ensure the effectiveness of its controls.

Cybersecurity Emergency Response

The Company strictly implemented annual cybersecurity emergency response and disaster recovery drills as planned, testing and improving contingency plans such as the "Provisions on Emergency Management of Cybersecurity" Incidents to ensure its ability to respond to data security emergencies.

Company-Wide Awareness Building

In 2025, the Company strengthened employees' data security awareness through diversified and routine education and communication mechanisms:

Systematic training and education programs were carried out. The Company organized a specialized data security training session for headquarters staff and personnel in key positions, covering 86 participants.

A themed communication matrix was established. During the National Cybersecurity Awareness Week, 10 sets of themed educational materials were distributed to all employees, and 62 short videos were released.

A normalized reminder mechanism was established, with 14 safety alerts issued throughout the year, integrating safety awareness into employees' daily work habits.

Internal channels for reporting and feedback on data security incidents were kept open and accessible, encouraging employees to proactively identify and report potential risks.

Cultivating a Responsible Supply Chain

Huaxin Building Materials Group regards responsible supply chain development as a key engine of sustainable growth and applies it throughout the entire supplier life cycle. From admission screening and performance evaluation to joint capability building, the Company drives resource circularity through green procurement, reinforces the foundation of trust through integrity and compliance, and empowers global logistics through digitalization, continuously building a green, transparent, and resilient supply chain ecosystem.

Supplier Management

Huaxin Building Materials Group has continued to improve its supplier management system and is committed to building a responsible and sustainable supply chain ecosystem. The Company strictly implements a series of rules and regulations, including the "Supplier Management Measures (2020 Edition)" and the "Engineering Procurement Management Measures (2023 Revision)", and applies full-lifecycle management to suppliers, covering admission, performance evaluation, grading, elimination, and routine management, so as to optimize supplier selection and cooperation. In 2025, the Company conducted a routine review of the "Supplier Management Measures (2020 Edition)" to ensure its continued effectiveness. As of the end of the reporting period, the Company had a total of 4,837 suppliers, including 4,722 suppliers in mainland China and 115 overseas suppliers.

Supplier Management Framework of Huaxin Building Materials Group



Supplier Onboarding Management

The Company implements categorized supplier admission and on-site assessment. In 2025, all newly admitted suppliers were required to pass a comprehensive ESG review covering factors such as environmental protection and occupational health, and to sign the "Supplier Code of Conduct". By the end of 2025, 215 new suppliers had been admitted.

Performance Evaluation and Grading

The Company applies a dynamic management mechanism combining day-to-day issue feedback with regular quantitative evaluations. Materials suppliers are rated semi-annually or annually based on indicators such as price, quality, delivery, and service, while engineering suppliers undergo project-process assessments and annual comprehensive evaluations. Based on scores, suppliers are classified into four levels — A (Excellent), B (Good), C (Qualified), and D (Unqualified)—with corresponding incentives such as priority procurement, priority payment, and reduction or exemption of deposits, thereby encouraging continuous supplier improvement.

Elimination and Exit

Suppliers involved in bid rigging, major safety accidents, annual performance ratings of Level D, or similar situations are downgraded or eliminated in accordance with relevant rules. Downgraded suppliers may not be readmitted within one year; eliminated suppliers may not be readmitted within three years; and suppliers involved in serious cases are permanently barred. In 2025, a total of 65 unqualified suppliers were eliminated.

Supply Chain Risk Management

Huaxin Building Materials Group places great emphasis on the identification and control of supply chain risks. By establishing a comprehensive early-warning mechanism, the Company monitors in real time potential issues such as fluctuations in raw material prices, logistics delays, and supplier performance, ensuring a rapid response to abnormal conditions. At the same time, it continues to optimize supplier management and applies rigorous admission screening and dynamic performance evaluation, focusing in particular on suppliers' performance in areas such as environmental protection, labor rights, and compliant operations so as to safeguard the stability and reliability of the supply chain at the source.

For engineering procurement, the Company classifies business into four categories — strategic, bottleneck, leverage, and general — based on two dimensions: procurement amount and supply risk. On this basis, it has built a scientific engineering procurement categorization system and formulated differentiated supplier development strategies. This precision-management model has effectively optimized resource allocation and significantly improved both supply chain resilience and operational efficiency.

Protection of Suppliers' Rights and Interests

Huaxin Building Materials Group regards suppliers as partners for mutual growth and is committed to fostering a fair, transparent, and trust-based cooperation ecosystem. Guided by the "Supplier Management Measures", the Company upholds unified standards and equal opportunities throughout the entire supplier lifecycle, including admission, cooperation, and evaluation, thereby safeguarding suppliers' legitimate rights and interests at the institutional level. The Company has established regular communication and feedback channels to actively solicit suppliers' opinions and suggestions, and has also opened dedicated complaint channels, adopting a zero-tolerance approach toward any violations to ensure that suppliers feel respected and trusted throughout the course of cooperation. In contract performance, the Company strictly fulfills its payment obligations in accordance with contractual agreements, thereby protecting the legitimate rights and interests of suppliers.

Supplier Training

In 2025, Huaxin Building Materials Group continued to strengthen supplier capability building by organizing multiple special training sessions for new suppliers and logistics partners, covering topics such as compliance management, green and low-carbon development, and digital collaboration. These trainings were conducted remotely by video and reached more than 360 suppliers in total.

For new suppliers, the Company focused on thematic training on "Compliance and Sustainable Development Requirements", covering 300 suppliers. It also launched operational training on new-energy systems for heavy-duty trucks and mining trucks, covering 30 suppliers. In addition, for digital logistics partners, the Company organized dedicated training for mining trucks and heavy-duty trucks, as well as an international logistics program on "Efficient Packaging and Transportation Safety", helping to standardize and decarbonize transport services.

Responsible Procurement

Huaxin Building Materials Group takes responsible procurement as a core principle of supply chain management and is committed to fully embedding ESG concepts throughout the entire supplier management chain. In 2025, the Company completed a routine review of the "Supplier Management Measures" and updated the "Supplier Code of Conduct", explicitly requiring all newly admitted and important suppliers to sign commitments. The code systematically covers core topics such as environmental protection, labor rights, business ethics, quality and safety, occupational health, and anti-discrimination, providing a unified framework for sustainable supply chain development. In 2025, the Company completed environmental and social impact assessments for 4,642 suppliers in total. Among newly admitted suppliers during the year, 20 passed screening based on environmental and social standards, accounting for 9.3%.

Key Indicators for Assessing Environmental and Social Impacts of Suppliers of Huaxin Building Materials Group:

- **Safety Management System:** Whether the supplier has safety management / production-related certifications, such as the Work Safety Standardization Certificate, OHSAS 18001 system certificate, etc.
- **Occupational Health:** Whether the supplier purchases commercial insurance for employees and organizes regular occupational health examinations.
- **Environmental, Health and Safety Control Procedures:** Whether the environmental, health, and safety control procedures are standardized; whether relevant management records, including various policies and procedures, equipment operation procedures, and training records on management systems, are complete and properly maintained; and whether dedicated instruments for environmental, health, and safety control are available.
- **Environmental Protection Requirements:** Whether the supplier complies with the requirements of relevant environmental protection laws and regulations, and whether the discharge of wastewater, exhaust gas, and noise, as well as the handling of hazardous chemicals, meet the requirements of local regulatory authorities.
- **Social Responsibility:** Whether the supplier has an employee roster and a commitment letter bearing the company seal stating that no illegal labor is employed; whether it has local government approval documents for environmental impact assessment or annual environmental impact assessment reports; and whether it has a fire protection acceptance certificate or fire protection permit approval documents.

Green Procurement

Huaxin Building Materials Group actively practices green procurement and uses resource circularity as the core driver of supply-chain decarbonization. In 2025, the Company continued to increase the resource utilization of industrial solid waste such as phosphogypsum, lithium slag, and copper tailings. The proportion of phosphogypsum use remained stable at above 47%, delivering both environmental benefits and cost optimization.

The Company also actively promotes procurement based on the "waste-attribute" concept and has innovated a negative-cost procurement model. In 2025, 28 plants under Huaxin Building Materials Group achieved negative-cost inbound procurement for materials such as desulfurized gypsum, and a total of 1.326 million tons of solid waste was handled through the negative-cost model, translating green procurement into concrete value creation across the circular economy value chain.

Integrity in Procurement

Huaxin Building Materials Group is committed to fostering a clean and transparent procurement ecosystem, taking integrity, compliance, fairness, and transparency as the foundation for mutually beneficial cooperation and a stable supply chain.

The Company strictly implements the "Supplier Code of Commercial Conduct", adopting a zero-tolerance stance toward any form of bribery, corruption, extortion, or embezzlement of public funds. At the same time, all procurement projects are required to sign an "Integrity Agreement", clearly defining the boundaries of integrity responsibilities and forming an institutional closed loop together with the "Supplier Code of Business Ethics". In addition, the Company continues to communicate and enforce the "Ten Prohibitions for Clean Procurement", and organizes audit, supervision, and other departments to oversee procurement activities, eliminate black-box operations, and ensure that integrity conversations cover 100% of key positions. To further improve procurement transparency, the Company also uses a digital bidding platform to run the full procurement process online and maintain real-time traceability, thereby ensuring process visibility and fair competition.

Digital Empowerment of the Supply Chain

Huaxin Building Materials Group is accelerating the transition from traditional informatization to digital and intelligent operations. With big data, the Internet of Things, and artificial intelligence as its technical foundation, the Company is building an agile, efficient, stable, and responsible smart supply chain and logistics system in all respects.

End-to-End Digital Closed Loop

The Company has connected the full digital chain of contract signing, order generation, vehicle dispatch, and freight settlement, allowing data to be entered once, reused throughout the process, and circulated automatically. This has shortened the freight settlement cycle by 50%, while enabling end-to-end traceability and monitoring of logistics operations and significantly improving both efficiency and transparency.

For heavy equipment transportation scenarios, the Company completed the new energy digital transformation and go-live deployment for 9 heavy truck plants and 12 mining truck plants, connecting core data such as plant road transportation demand plans, dispatching, and orders, enabling real-time coordination between production planning and logistics scheduling, and fundamentally transforming the traditional manual dispatching model.

Real-Time Collaboration through Mobile Terminals

The Company developed a dedicated mobile application for road transport dispatching, covering all roles including carriers and dispatchers, and building a direct platform-to-terminal connection. Dispatch instructions are delivered instantly, progress is fed back in real time, and documents are signed online, increasing the response speed of logistics workflows by 40% and reducing cross-role communication costs by 60%.

Real-Time Control of Logistics Assets

The Company has built its own IoT data middle platform and connected more than 550 new-energy vehicles and 149 ultra-fast charging piles in total. Through fully automated data collection from the backend and charging stations, it dynamically monitors key indicators such as vehicle location, remaining battery power, driving trajectory, charging-pile operating status, and charging power, forming an integrated "vehicle-station-power" monitoring network that provides precise, real-time data support for intelligent dispatching and energy-efficiency analysis.

Digital Dispatching of the New-Energy Fleet

The Company built its own digital dispatching platform to deeply integrate the new-energy fleet, charging piles, and transport orders, enabling real-time dispatching, intelligent scheduling, and energy-efficiency management. This model has already been replicated at 35 bases under the Company, increasing vehicle operating efficiency by 25% and reducing unit transportation cost by 46.3%, making it a representative practice combining green operations with intelligent decision-making.

Empowering the Overseas Supply Chain

In 2025, the Company's digital procurement model was successfully launched in Nigeria. In the first round of bidding for logistics business, average freight rates in the eastern region dropped by 15%, including declines of 18.8% for bulk transport vehicles and 15% for packaged flatbed vehicles in the Ewekoro area. This breakthrough verified the international applicability of the digital procurement model and provided a replicable Huaxin solution for the digital transformation of global supply chains.

Case

Digital Empowerment Creates a New International Logistics Model

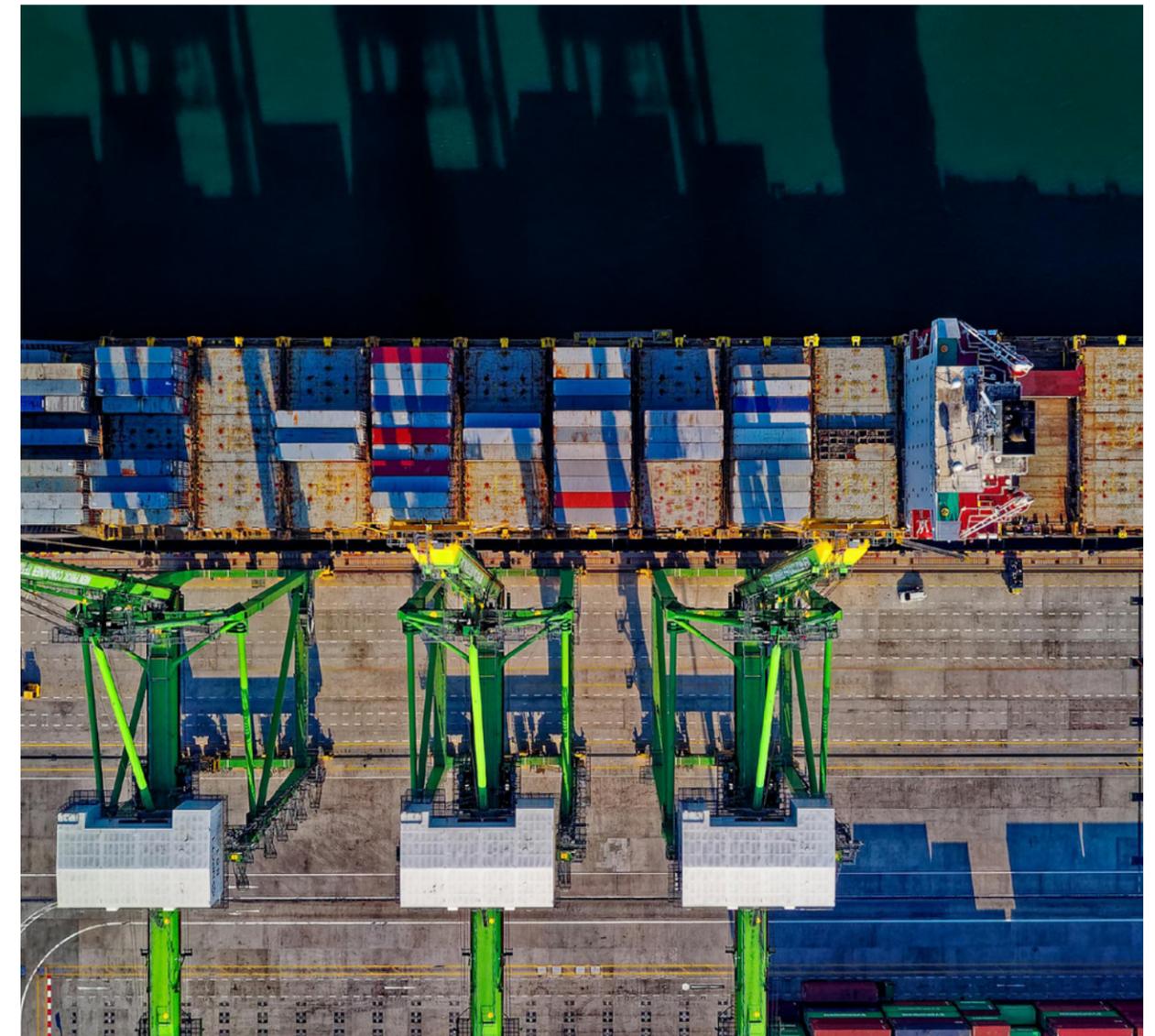


Huaxin's First Self-Owned Ocean-Going Cargo Vessel Embarked on Its Maiden Voyage from Huada Terminal in Zhangjiagang, Jiangsu, China

In 2025, Huaxin used digitalization as the core driver to reshape supply chain competitiveness.

In the field of new-energy logistics, the Company took the lead in building a logistics internet system combining new-energy vehicles and digital operations. This has improved logistics operating efficiency by 25% and reduced costs by 46%, and the model has already been replicated in overseas companies in places such as Mozambique and South Africa, setting a benchmark for China's green logistics innovation.

In international logistics, Huaxin's first self-owned cargo vessel, NOVA FORTUNA, made its inaugural voyage to Mozambique, precisely addressing pain points such as unstable African shipping routes and vessel-type mismatch. It subsequently opened a successful export channel to Comoros, delivering a zero-to-one breakthrough in the cement business for an Indian Ocean island nation. By deeply integrating its own fleet with the end-to-end digital platform, Huaxin has connected order, warehousing, and transport information and built a resource linkage network of "plant + port + transport," continuously reducing regional integrated logistics costs, enhancing supply chain agility, and injecting fresh digital momentum into its ambition to become a globally leading multinational building materials group.



05

Sharing Our Progress to Deliver Social Value

Huaxin Building Materials Group firmly believes that corporate development and social progress are intrinsically aligned, and remains steadfast in fulfilling its social responsibilities. We continue to deepen our presence and construction along the "Belt and Road" routes, while actively supporting revitalization across vast rural areas. We engage with local communities, allowing goodwill to flow through everyday actions, aggregating warmth and strength through each small deed, and working hand in hand with all stakeholders to jointly paint a shared vision of a better future.

- 95 Jointly Building the Belt and Road
- 99 Supporting Rural Revitalization
- 101 Fostering Thriving Communities

Contribute to SDGs



Jointly Building the Belt and Road

Huaxin deeply implements the "Belt and Road" Initiative, continuously anchoring its "overseas development" strategy, fulfilling corporate responsibilities through concrete actions, taking root locally and pursuing shared development. From industrial upgrading to community co-building, Huaxin is writing a vivid testament to Chinese enterprises "going global" under the "Belt and Road" Initiative.

Building a Benchmark for Overseas Development

Huaxin resolutely advances its global footprint and local operations, achieving steady expansion of its overseas business. Grounded in local compliance requirements, the Company adheres to high standards of sustainable development in conducting its business activities. Through technology transfer and capacity upgrading, Huaxin Building Materials Group's overseas companies have become benchmark enterprises contributing to local industrial development and industrial cooperation, earning high recognition from local governments, society, and markets, and receiving numerous accolades.

Case

Chilanga Company Received the Zambia Manufacturing 40th Anniversary Honorary Merit Award



Zambia's Ministry of Commerce, Trade and Industry Presents Award to Chilanga Company

In September 2025, Chilanga Company was honored with the Zambia Manufacturing 40th Anniversary Honorary Merit Award. Since its acquisition by Huaxin in 2021, the company has been revitalized through systematic renovation, introducing advanced processes to enhance production capacity and quality, and establishing a green and low-carbon benchmark through the use of alternative fuels. The local employee ratio exceeds 92%, with more than 3,000 person-times trained over four years, and support provided to local education, healthcare, and infrastructure development through campus programs and other initiatives.

Case

Chilanga Company Wins Two CSR Awards in Zambia



Chilanga Company Receives the "CSR Best Community Impact — Housing/Shelter Solutions Award" and the "Environmental Sustainability — Best Waste Management Award"

In 2025, at Zambia's Sixth Corporate Social Responsibility and Sustainability Awards Ceremony, Chilanga Company was honored with the "Best Community Impact — Housing/Shelter Solutions Award" and the "Environmental Sustainability — Best Waste Management Award." Through continuous improvements to local community health, education, environmental sustainability, infrastructure, and housing conditions, Chilanga Company consistently upholds the "people-centered" philosophy, contributing to local sustainable development.

Case

Chilanga Company Wins the Zambia 2025 Large Enterprise Exporter Gold Award

In 2025, Chilanga Company was honored with the Zambia Annual Large Enterprise Exporter Gold Award. This award is hosted by the Zambia Bureau of Standards and is one of the most authoritative quality awards in the country. Guided by Huaxin's strategy of "global footprint, local operations," Chilanga Company has deeply integrated Huaxin's technology with the local market, maintaining a quality-first approach, advancing a localized talent strategy, and implementing high-standard quality management. Its high-quality cement products are widely sold locally and exported to neighboring countries, establishing the brand as a well-known name across Central and Southern Africa.



Zambia 2025 Large Enterprise Exporter Gold Award Trophy



Zambia 2025 Large Enterprise Exporter Gold Award Certificate of Honor

Case

South Africa NPC Company Recognized at the KwaZulu-Natal Province Annual Investment Conference

In 2025, South Africa NPC Company was honored with the 2024 "Outstanding Investment Commitment Award" at the local government's annual investment conference, in recognition of its outstanding contributions to driving local economic development, delivering on investment commitments, and deepening Sino-South African industrial cooperation. Since becoming a wholly-owned subsidiary of Huaxin at the end of 2023, NPC Company took only 9 months to increase the daily clinker production capacity of the SIMUMA plant from 1,500 tons to 4,000 tons, representing a growth of 167%, making it one of the largest industrial expansion projects in the province.



TIKZN Official Website Has Published Multiple Reports on Activities of Huaxin South Africa NPC Company



Mr. Wang Xuanqian, National CEO of South Africa NPC Company, Attends the Conference Panel Discussion

Empowering Local Development Through Diverse Initiatives

Case

Huaxin Maweni Company Drives Inclusive Socioeconomic Development in Tanzania Through Systematic Philanthropic Investment

Guided by the philosophy of "building one plant, benefiting the local people", Huaxin Building Materials Group deeply integrates into local community development, empowering local growth through systematic and regularized corporate social responsibility programs. From educational support and infrastructure renovation to environmental protection and cultural integration, Huaxin deeply embeds its corporate development into the pulse of local communities, benefiting people's livelihoods through concrete actions, and demonstrating the responsibility and warmth of Chinese enterprises in the construction of the "Belt and Road".

Huaxin Maweni Company's total corporate social responsibility investment for 2025 amounted to approximately TZS 126 million, implementing 23 donation initiatives comprehensively covering the fields of education, public affairs, community development, judicial support, and public safety, with a cumulative mobilization of more than 400 employee volunteer person-times and a total service duration of more than 1,200 hours.

- In terms of educational support, an agreement was signed with the WASHATAA organization to provide annual targeted funding of TZS 15 million to support students from disadvantaged backgrounds, and a donation of nearly TZS 7 million was made to Donbosco School for the renovation of its teaching building.
- In terms of community development, year-end material donations and home visits were conducted for families in difficulty in the Kange community where the plant is located, for the second consecutive year, along with funding for the construction of a community church.
- In terms of child welfare, a long-term assistance relationship was established with an orphanage in Tanga City, with cement donated for housing repairs, regular provision of food, clothing, and educational supplies, and organized volunteer visits to provide psychological care, improving the living and educational environment for 78 orphaned children.



Community Visits to Families in Difficulty



Comprehensive Support Program for Tanga City Orphanage

Case

Huaxin Yavan Company's "Three Million Philanthropy Plan"



Huaxin Yavan Company "Million Scholarship Initiative"



Huaxin Yavan Company Constructs Drinking Water Infrastructure

Huaxin Yavan Company continues to implement the "Three Million Philanthropy Plan," with a cumulative investment of TJS 3 million over five years dedicated to poverty alleviation, educational assistance, and scholarship support.

- In terms of educational support, in 2025, the "Huaxin Friendship School" — funded by Huaxin Yavan Company — was officially inaugurated, with the new campus capable of accommodating 640 students. In the same year, the "Million Scholarship Initiative" provided funding to 100 Tajik university students, with each recipient receiving TJS 2,000. These philanthropic efforts have earned high praise from local government and communities.
- In terms of public facilities construction, in 2025, the Huaxin Foundation's "Million Poverty Alleviation Initiative" contributed TJS 400,000 to construct drinking water infrastructure for Hulesong Village and Zahong Village in Khatlon Province, Tajikistan, fundamentally resolving the long-standing water access difficulties faced by more than 2,000 villagers. As an integral component of the five-year million-fund poverty alleviation plan, Huaxin Yavan Company selects 2 villages each year and donates TJS 100,000 to each for the construction of public facilities, bringing tangible warmth from China to remote mountain villages in Tajikistan.

Case

Huaxin Mozambique Company Takes Root in Communities, Advancing Multi-Dimensional Corporate Social Responsibility Projects

In 2025, Huaxin Mozambique Company systematically implemented 28 community and volunteer projects across four areas — Matola, Dondo, Nacala, and CINAC — demonstrating the responsibility and long-term value commitment of Chinese enterprises in countries along the "Belt and Road," with a cumulative total of 31,972 beneficiaries and a total social investment exceeding MZN 11.35 million (Mozambican Metical).

- In terms of environmental protection, beach cleaning activities at Sosa-Nacala-Porto and campus environmental improvement initiatives were organized, receiving positive feedback from the community.
- In terms of education and public services, new classrooms were built and renovated, health posts were repaired, and water supply systems were constructed, significantly improving living conditions for surrounding communities.
- In terms of child welfare, an internal fundraising campaign was launched to donate food, clothing, toys, and other supplies to orphanages, benefiting 148 local children. Cross-cultural integration training between Mozambique and China was also conducted to promote cross-cultural understanding.



Natal Community School Charity Event



Huaxin Mozambique Staff Replace Light Bulbs at School

Case

Huaxin Jizzakh Company Deepens Sino-Uzbek Cultural Integration Through Cultural and Sports Activities

In 2025, Huaxin Jizzakh Company actively implemented its localization strategy, promoting Sino-Uzbek cultural exchange and enhancing team cohesion through cultural, sports, and language training activities.



Huaxin Jizzakh Company Trade Union Organizes Volleyball Tournament to Celebrate Nowruz

On 21 March, the Company organized a Nowruz volleyball tournament, using the traditional Uzbek holiday as a vehicle to deepen the friendship between Chinese and Uzbek employees and promote harmonious multicultural coexistence. On 28 October, the Company held its annual Chinese Language Competition, attracting 53 local employees to compete together, enhancing Chinese language proficiency in everyday work scenarios. The competition has become a Company tradition, helping local employees break down language barriers and improve work efficiency, while also building a platform for in-depth Sino-Uzbek cultural integration.



Supporting Rural Revitalization

Huaxin Building Materials Group actively responds to the national rural revitalization strategy, maintaining a proactive commitment to public welfare and driving sustainable economic and social development. The Company provides diversified support through village-based assistance, agricultural charity initiatives, educational support, disaster relief, and other volunteer services. These concrete actions not only provide urgently needed materials and infrastructure support to rural areas, but also deliver substantive assistance to local residents through educational care and volunteer services, demonstrating Huaxin's long-term commitment and sense of responsibility toward the rural revitalization cause.

Village-Based Assistance

Huaxin Building Materials Group achieves precise engagement with grassroots communities by organizing volunteer service teams to go deep into rural communities. Through the regular conduct of village-based assistance volunteer services, Huaxin puts into practice the principle of "doing practical things for the people" through concrete actions, effectively promoting rural development and demonstrating its corporate social responsibility.

Case

Huaxin Fuling Company Conducts Elderly Care Volunteer Activity



"Warmth in the Spring of March" Volunteer Activity

In March 2025, volunteers from Huaxin Fuling Company traveled to the Xingful residential community in Sanmenzi Village to conduct the "Warmth in the Spring of March" care activity. Volunteers cleared courtyards for the elderly, harvested and dried radishes, patiently inquired about their daily lives and health conditions, attentively listened to their concerns, and presented condolence gifts including milk and eight-treasure congee, enabling the elderly to genuinely feel the warmth of care and compassion.

Agricultural Charity Initiatives

Huaxin places great importance on rural revitalization and agricultural development, and actively attends to the practical needs of farming communities. Through the regular conduct of agricultural assistance volunteer services, Huaxin supports rural revitalization through concrete actions, deepens enterprise-community integration, promotes the sustainable development of agricultural industries, and establishes the image of a responsible corporate citizen.

Case

Huaxin Boosts Rural Industry Income through Live-Streaming



Live Broadcast Scene

On July 24, 2025, Huaxin organized a public welfare live-streaming event at the yellow peach plantation in Pengwan Village, Daye City, to support local agriculture. The Party branch secretary of Pengwan Village, together with the Company's resident rural revitalization officials and the orchard manager, promoted locally grown yellow peaches and Lvguan fragrant pears via the live stream. On the day of the event, the "Huaxin Release" Douyin agricultural support live-stream helped sell approximately 35,000 jin (17.5 tons) of fruit.

The yellow peach plantation in Pengwan Village is an industrial project supported by Huaxin's targeted assistance program. Since 2021, the Company has assisted the village in establishing a 220-mu (14.7-hectare) yellow peach orchard, achieving an annual output of about 100,000 jin (50 tons) of fruit of fruit. Since pairing up with Pengwan Village, Huaxin has actively promoted local agricultural development, creating numerous jobs for surrounding farmers, driving income growth for households that have shaken off poverty, and increasing the village's collective revenue — achieving a win-win outcome for economic, ecological, and social benefits.

Case

Huaxin Santon Industrial Park Volunteers Rush to Assist with Autumn Harvest



Volunteers Assist Villagers with Rush Corn Harvest

From July to August 2025, volunteers from Huaxin Santon Industrial Park made two trips to the fields to help elderly left-behind residents address the challenges of the autumn harvest. Upon learning that Grandpa Xie's 2 mu (0.13 hectares) of corn were threatened by heavy rain, 10 volunteers went to the fields at 6 o'clock in the morning to rush the harvest, completing the entire harvest in three hours. Upon learning that Grandpa Hou's household was short of labor, 8 volunteers braved the scorching sun to help harvest 3 mu (0.2 hectares) of rice, ensuring every grain was brought in. From the cornfields to the rice paddies, sweat-soaked clothing bore witness to the closer ties forged between the Company and its neighboring communities.

Educational Support

Huaxin focuses on the care of rural children, safeguarding the happy growth of left-behind children in rural areas through public welfare day care, educational assistance, and heartfelt companionship, alleviating the pressure of rural childcare, and illuminating the future of rural communities through the light of education.

Case

Huaxin Chibi Company Volunteers Conduct Summer Academic Tutoring Public Welfare Service for Left-Behind Children



Huaxin Chibi Company Organizes "Summer Voluntary Tutoring" Activity

From 12 to 13 July 2025, the Communist Youth League Committee of Huaxin Chibi Company organized university student volunteers to visit the summer day care program in Nanshan Village, Zhonghuo Town, Chibi City, and jointly conducted the "Youth Empowers, Hand in Hand with Children" charitable academic tutoring activity together with local university students who had returned to their hometowns. Educational supplies and other items were also presented to the children, fulfilling social responsibilities through concrete actions and conveying warmth and care.

Disaster Relief and Emergency Response

Huaxin places great importance on emergency rescue, responding swiftly and providing full support to disaster-affected areas in the event of natural disasters and other emergencies. The Company has established an emergency rescue mechanism, mobilizing employees and resources to deploy to the frontline of disaster relief at the earliest opportunity, providing disaster-affected residents with essential necessities such as cold-weather clothing and food to ensure basic living conditions. At the same time, engineering machinery and equipment are dispatched to participate in rescue and reconstruction efforts in disaster-affected areas, providing professional support for emergency response operations. These concrete actions are aimed at helping disaster-affected residents overcome difficulties and restore normal production and daily life as quickly as possible, demonstrating the Company's sense of responsibility to stand together with society and overcome adversity in critical moments.

Case

Huaxin Tibet Company Provides Emergency Assistance to Rikaze Earthquake Disaster Area



Huaxin Rushes Assistance to Rikaze Earthquake Disaster Area

On 7 January 2025, following a magnitude 6.8 earthquake in Dinggye County, Rikaze City, Tibet, Huaxin Tibet Company immediately organized the procurement of 600 sets of cotton-padded jackets and trousers and 500 blankets and quilts, transporting them overnight to the disaster-affected areas to help disaster-affected residents withstand the severe cold. Huaxin Rikaze Company simultaneously made emergency donations of food and other daily necessities to the disaster area. The Company also organized 6 units of engineering machinery and equipment to rush to the disaster area to participate in rescue operations, demonstrating corporate responsibility through rapid response and concrete action.

Case

Huaxin Sangzhi Company Provides Full Support for Post-Disaster Reconstruction



Huaxin Sangzhi Company Makes Emergency Deployment of Concrete Mixer Trucks and Pump Trucks

Huaxin Sangzhi Company actively fulfills its corporate social responsibility, responding swiftly following a historically severe rainstorm disaster in the local area, and leveraging its professional equipment and technical expertise to participate in post-disaster reconstruction. To address the challenge of post-disaster waste disposal, the Company opened a "green channel" and adopted an "accept all as needed" policy, conducting round-the-clock collection, disinfection, sorting, and harmless disposal. As of 22 June 2025, a cumulative total of more than 2,500 tons of household waste had been collected and stored, pressing the "accelerator button" for post-disaster reconstruction.

Fostering Thriving Communities

Huaxin places great importance on community relations development, deepening community communication and building neighborhood consensus with an open and inclusive approach. Throughout the full lifecycle of its projects, the Company proactively maintains communication with community stakeholders, scientifically assesses potential impacts on the community environment during project implementation, and adopts measures such as environmental monitoring to safeguard the community's ecological environment and residents' quality of life. In addition, Huaxin Building Materials Group adheres to a localized employment philosophy, actively promoting community employment by prioritizing the hiring of local labor, conducting skills training and employment assistance, and contributing to improvements in community livelihoods through concrete actions.

Huaxin actively gives back to community development through volunteer services, external donations, and other means. Huaxin Building Materials Group has specially formulated an employee volunteer service program and issued the "Implementation Plan for Conducting Three Hours of Volunteer Service within the Company", promoting the regularization and institutionalization of employee volunteer services, encouraging full participation, and systematically cultivating and practicing an internal public welfare culture. At the same time, Huaxin Building Materials Group has issued and implemented the "Measures for the Administration of External Donations", further standardizing the Company's external donation conduct and strengthening the management of the Company's donation matters. In 2025, the Company joined the China Volunteer Service Federation as a member organization, marking the integration of its volunteer service work into a national-level platform, through which it will learn, exchange, and contribute within a broader network.

In 2025, volunteers at all levels of the Company conducted nearly 2,000 activity sessions, with an average volunteer service time of nearly 3 hours per person. More than 150 volunteer service news articles were published both internally and externally, and investment in public welfare and charitable causes amounted to RMB 11.34 million.

Case

Huaxin Chibi Company Conducts Patriotic Hygiene Month Series of Volunteer Services



Huaxin Chibi Company Conducts Patriotic Hygiene Month Series of Volunteer Services

During the Patriotic Hygiene Month in April 2025, Huaxin Chibi Company organized volunteers to clean 16 bus stops along Hebei Avenue, sweep and clear more than 40 bags of waste from Shaziling Park, and jointly carried out environmental remediation with Wangjiabao Community, creating a clean living environment for residents. Volunteers also went deep into Nanshan Village to disseminate health knowledge, distributing more than 40 copies of promotional materials and guiding villagers to develop civilized and healthy lifestyles.

Case

Huaxin Wanyuan Company Conducts "Cooling Relief" Public Welfare Activity for College Entrance Examination



Huaxin Volunteers Deliver Water and Cooling Relief to Examinees

During the College Entrance Examination period from 7 to 9 June 2025, Huaxin Wanyuan Company organized a volunteer team to conduct the "Care for Students, Summer Cooling Relief" public welfare activity outside the examination venue at Wanyuan No. 1 High School, providing examinees and their parents free of charge with mineral water, glucose oral solution, Huoxiang Zhengqi liquid, and other heat prevention supplies and heartfelt services, helping students sit their examinations with peace of mind.

Case

Huaxin Changyang Company's "Caring Mothers" Join Hands with Children with Autism to Paint a New Picture of Inclusion



Caring Mothers Volunteer Activity

On 27 March 2025, on the occasion of the 18th "World Autism Awareness Day," the "Caring Mothers" Volunteer Service Team of Huaxin Changyang Company arrived at the venue of the "Morning Light with Love, Stars Walking Together" themed event. Five volunteers paired one-on-one with 20 families of children with autism, jointly creating a 5-meter-long painting scroll, participating in kangaroo hop ring toss games, and visiting an intangible cultural heritage museum. Through patient guidance and interaction, the children gradually relaxed and played and laughed with their peers.

As a representative of the first batch of disability assistance pioneer enterprises in the county, the chairperson of the Changyang Company trade union stated that the "Caring Mothers" team will continue to inject warmth into the growth of "star children" through sustained long-term actions such as home visits and companionship.



Key Performance Tables

Economic indicators

Indicator	Unit	2023	2024	2025
Operating revenue	100 million yuan	337.57	342.17	353.48
Gross profit	100 million yuan	43.26	41.12	49.50
Total assets	100 million yuan	688.00	695.13	810.73

Environmental indicators

Indicator	Unit	2023	2024	2025
Environmental management				
Total amount of investment in environmental protection and technological transformation	100 million yuan	7.59	7.07	4.59
Number of incidents in which penalties were imposed for violating environmental protection laws and regulations	number of incidents	4	3	3
Tackling climate				
Scope 1 greenhouse gas emissions	tons of CO ₂ equivalent	30,529,686	27,565,025	25,736,561
Scope 2 greenhouse gas emissions	tons of CO ₂ equivalent	1,655,014	1,523,855	1,363,618
Total Scope 1 and 2 GHG emissions	tons of CO ₂ equivalent	32,184,699	29,088,880	27,100,179
Annual greenhouse gas emission reductions	tons of CO ₂ equivalent	/	3,095,819	1,988,701
Greenhouse gas emissions per unit of operating revenue for clinker product	tons of CO ₂ equivalent / 10,000 yuan	10.30	8.94	8.35
Greenhouse gas emissions per unit of clinker product (Scope 1)	kg of CO ₂ equivalent / tons of clinker production	793.37	791.55	802.45
Greenhouse gas emissions per unit of clinker product (Scope 2)	kg of CO ₂ equivalent / tons of clinker production	17.14	17.64	16.73
Greenhouse gas emissions per unit of clinker product (Scope 1 + Scope 2).	kg of CO ₂ equivalent / tons of clinker production	810.51	809.19	819.18
Note: From 2025 onwards, the Company's greenhouse gas emission (both Scope 1 and Scope 2) accounting coverage has been expanded from clinker production processes to domestic cement production processes. To ensure data comparability, historical data for 2023 and 2024 have been retrospectively adjusted according to this domestic cement process scope.				
Resource consumption				
Combined energy consumption	10,000 tons of standard coal	538.00	519.51	549.51

Indicator	Unit	2023	2024	2025
Comprehensive energy consumption per unit of clinker product in China	kg of standard coal/ton of clinker production	94.69	94.02	100.69
Clinker Fuel Thermal Substitution Rate (TSR)	%	20	21.7	14.9
Total water consumption	10,000 tons	2,347	2,330	2,325
Consumption of packaging materials	10,000 tons	2.83	2.62	2.61
Consumption density of packaging materials	kg/t bagged cement production	1.39	1.38	1.38
Pollution prevention				
Total sulfur dioxide emissions	tons	1,266.53	1,221.34	1,193.08
Mean concentration of sulfur dioxide emissions	mg/m ³	11.62	12.65	12.35
Sulfur dioxide emission intensity per unit product of clinker	kg per ton of clinker yield	0.03	0.032	0.03
Sulfur dioxide emission intensity per unit product of cement	kg per ton of cement production	0.024	0.026	0.03
Annual reduction in sulfur dioxide emissions	tons	213.27	45.19	28.26
Total nitrogen oxide emissions	tons	16,715.73	13,981.96	12,240.42
Mean concentration of nitrogen oxide emissions	mg/m ³	172.92	157.55	166.60
Nitrogen oxide emission intensity per unit product of clinker	kg per ton of clinker yield	0.39	0.369	0.34
Nitrogen oxide emission intensity per unit of cement product	kg per ton of cement production	0.321	0.296	0.27
Annual nitrogen oxide emission reductions	tons	2,832	2,733.77	1,741.54
Total particulate matter emissions	tons	977.42	727.13	607.80
Mean concentration of particulate matter emissions	mg/m ³	6.45	5.76	5.89
Particulate matter emission intensity per unit of clinker product	kg per ton of clinker yield	0.02	0.019	0.017
Particulate matter emission intensity per unit of cement product	kg per ton of cement production	0.019	0.015	0.014
Annual reduction in particulate matter emissions	tons	51.47	250.29	119.33
Total amount of hazardous waste	tons	218.27	197.19	211.95
The amount of hazardous waste generated per unit of operating revenue	tons/100 million yuan	0.65	0.58	0.60

Indicator	Unit	2023	2024	2025
Total amount of non-hazardous waste	tons	168,542.46	166,864.35	177,990
The amount of non-hazardous waste generated per unit of operating revenue	tons/100 million yuan	499.28	486.97	503.54
Disposal rate of self-produced solid waste	%	100	100	100
Cumulative area of mine ecological restoration	10,000 square meters	373.5	373.5	516

Social indicators

Indicator	Unit	2023	2024	2025
Supply chain management				
Total number of suppliers	/	4,439	4,646	4,837
Number of suppliers in Chinese mainland	/	4,394	4,612	4,722
Number of overseas suppliers	/	45	34	115
Number of suppliers who have passed environmental and social impact assessments	/	4,397	4,555	4,642
Total number of new suppliers	/	/	291	215
New suppliers screened using environmental and social criteria	/	/	23	20
Percentage of new suppliers screened using environmental, social criteria	%	/	8	9.3
Products & Services				
The pass rate of products produced throughout the year	%	100	100	100
Products that have been recalled due to quality or safety issues	number of products	0	0	0
Number of complaints about products and services	number of products	43	52	51
Scientific and Technological Innovation				
Amount of R&D investment	yuan	324,894,605	240,903,440	257,401,347
The ratio of total R&D investment to operating revenue	%	0.96	0.7	0.7
Number of R&D personnel	persons	216	209	212

Indicator	Unit	2023	2024	2025
The number of R&D personnel accounts for the proportion of the total number of employees in the company	%	1.04	1.04	0.97
Employee profile				
Total number of employees	persons	20,804	20,174	21,889
Total number of male employees	persons	16,687	16,238	17,277
Total number of female employees	persons	4,117	3,936	4,612
Number of employees over 50 years old	persons	3,709	4,082	5,568
Number of employees between the ages of 30 and 50	persons	14,088	13,648	14,541
Number of employees under the age of 30	persons	3,007	2,444	1,780
Total number of employees in Chinese mainland	persons	15,531	15,035	14,804
Total number of overseas employees	persons	5,273	5,139	7,085
The total number of grassroots employees	persons	20,020	19,393	21,121
The total number of middle management employees	persons	765	763	751
Total number of senior management employees	persons	19	18	17
Employee turnover rate	%	8.13	8.18	5.66
Male employee turnover rate	%	7.95	7.33	3.95
Female employee turnover	%	0.18	0.85	1.72
Turnover rate of employees over the age of 50	%	1.61	1.71	2.18
Turnover rate of employees aged 30 to 50	%	4.51	5.44	2.97
Turnover rate for employees under the age of 30	%	2.01	1.03	0.51
Employee turnover rate in Chinese mainland	%	5.83	5.76	5.57
Employee turnover rate in China's Hong Kong, Macao, Taiwan and overseas locations	%	2.30	2.42	0.09
Total number of new employee*	persons	/	235	79

*This figure covers only employees of Chinese nationality and does not include non-Chinese employees.

Indicator	Unit	2023	2024	2025
Employment rate of new employees over the age of 50	%	/	0.43	1.27
Employment rate of new employees aged 30 to 50	%	/	57.02	49.37
Employment rate of new employees under the age of 30	%	/	42.55	49.37
Male new hire rate	%	/	72.77	67.09
Female new hire rate	%	/	27.23	32.91
Employee training				
Percentage of male employees trained	%	100	100	100
Percentage of female employees trained	%	100	100	100
Proportion of grassroots employees trained	%	100	100	100
Proportion of middle management trained	%	100	100	100
Proportion of senior management trained	%	100	100	100
Average training hours for male employees	hours	31	28	29
Average training hours for female employees	hours	37	34	35
Average training hours for grassroots employees	hours	32	42	29
Average training hours for middle management	hours	35	29	45
Average training hours for senior management	hours	23	29	32
Annual training expenditures	10,000 yuan	/	1,147.26	1,004.25
Occupational health and safety				
Number of employees who died due to work-related deaths	persons	2	1	1
Proportion of employees who died due to work-related deaths	%	0.01	0.005	0.0047
Injury Accident Rate per Million Hours Worked (LTIFR)	/	0.09	0.19	0.05
The total amount of investment in safety production	100 million yuan	2.94	3.45	5.07

Indicator	Unit	2023	2024	2025
Total number of hours of safety training	hours	1,128,007	1,171,445	1,188,718
Public welfare				
Total investment in public welfare	10,000 yuan	2,083.03	1,459.19	1,133.68
Total investment in rural revitalization	10,000 yuan	/	/	445.45

Governance indicators

Indicator	Unit	2023	2024	2025
Number of Board Members	persons	9	9	9
Number of independent directors	persons	3	3	3
Number of female directors	persons	1	1	1
Number of Executive Directors	persons	2	2	2
Number of non-executive directors	persons	4	4	4
Number of independent non-executive directors	persons	3	3	3
Percentage of women on the board of directors	%	11.1	11.1	11.1
Proportion of independent non-executive directors on the board	%	33.3	33.3	33.3
Number of Board meetings	/	9	10	13
Number of shareholders' meetings	/	4	1	6
Number of Strategy Committee meetings	/	2	2	2
Number of Remuneration and Appraisal Committee Meetings	/	3	4	6
Number of Nominating Committee Meetings	/	1	2	3
Number of Audit Committee Meetings	/	4	7	6
Number of Governance & Compliance Committee meetings	/	2	2	1
The number of risk events such as major litigation and arbitration matters involved	number of events	0	0	0

Indicator	Unit	2023	2024	2025
Number of risk management trainings	/	/	52	50
Number of participants in anti-corruption training	person-times	1,984	3,650	3,178
Average number of hours of anti- corruption training*	hours	88.2	89.4	88.9

* The statistical scope includes centralized offline training, online training, and external dispatch training.

Indicator Index

SEHK ESG Index of Indicators

Index of Appendix C2 Environmental, Social and Governance Reporting (ESG) Code of the SEHK		
Subject Areas	Description	Chapters
Part B: Mandatory Disclosure Requirements		
Governance Structure	A statement from the board containing the following elements: (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	ESG Management
Reporting Principles	A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report: Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement. Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed. Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.	About the Report ESG Management
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	About the Report

Index of Appendix C2 Environmental, Social and Governance Reporting (ESG) Code of the SEHK			
Subject Areas	Description	Chapters	
Part C: "Comply or explain" Provisions			
A. Environmental			
Aspect A1: Emissions	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. Note: Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations. Hazardous wastes are those defined by national regulations.	Preserving a Clean Ecosystem
	KPI A1.1	The types of emissions and respective emissions data.	Preserving a Clean Ecosystem
	KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Key Performance Tables
	KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Key Performance Tables
	KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Preserving a Clean Ecosystem
	KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Preserving a Clean Ecosystem
Aspect A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials. Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	Optimizing Resource Efficiency
	KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Optimizing Resource Efficiency
	KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Optimizing Resource Efficiency
	KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Optimizing Resource Efficiency
	KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Optimizing Resource Efficiency
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Optimizing Resource Efficiency	
Aspect A3: The Environmental and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Preserving a Clean Ecosystem
	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Preserving a Clean Ecosystem

Index of Appendix C2 Environmental, Social and Governance Reporting (ESG) Code of the SEHK			
Subject Areas		Description	Chapters
B. Social			
Employment and Labor Practices			
Aspect B1: Employment	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Safeguarding Employee Rights and Well-being
	KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Safeguarding Employee Rights and Well-being Key Performance Tables
	KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Safeguarding Employee Rights and Well-being
Aspect B2: Health and Safety	Aspect B2:	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Strengthening Occupational Health and Safety
	KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Key Performance Tables
	KPI B2.2	Lost days due to work injury.	Key Performance Tables
	KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Strengthening Occupational Health and Safety
Aspect B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	Enabling Growth and Development
	KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Key Performance Tables
	KPI B3.2	The average training hours completed per employee by gender and employee category.	Key Performance Tables
Aspect B4: Labour Standards	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Safeguarding Employee Rights and Well-being
	KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Safeguarding Employee Rights and Well-being
	KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Safeguarding Employee Rights and Well-being

Index of Appendix C2 Environmental, Social and Governance Reporting (ESG) Code of the SEHK			
Subject Areas		Description	Chapters
Operating Practices			
Aspect B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	Cultivating a Responsible Supply Chain
	KPI B5.1	Number of suppliers by geographical region.	Key Performance Tables
	KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Cultivating a Responsible Supply Chain
	KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Cultivating a Responsible Supply Chain
Aspect B6: Product Responsibility	KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Cultivating a Responsible Supply Chain
	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Cementing Customer Trust
	KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Cementing Customer Trust
	KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Cementing Customer Trust
	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Championing Technological Innovation
	KPI B6.4	Description of quality assurance process and recall procedures.	Cementing Customer Trust
Aspect B7: Anti-corruption	KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Cementing Customer Trust
	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Upholding Business Ethics
	KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Upholding Business Ethics
	KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Upholding Business Ethics
	KPI B7.3	Description of anti-corruption training provided to directors and staff.	Upholding Business Ethics

Index of Appendix C2 Environmental, Social and Governance Reporting (ESG) Code of the SEHK			
Subject Areas		Description	Chapters
Community			
Aspect B8: Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Fostering Thriving Communities
	KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Jointly Building the Belt and Road Supporting Rural Revitalization Fostering Thriving Communities
	KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Jointly Building the Belt and Road Supporting Rural Revitalization Fostering Thriving Communities
Part D: Climate-related Disclosures			
(I) Governance	(a) The governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. (b) Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.		Tackling Climate Change-Governance
(II) Strategy	Climate-related risks and opportunities	An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term.	Tackling Climate Change-Strategy
	Business model and value chain	An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain.	Tackling Climate Change-Strategy
	Strategy and decision-making	An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making.	Tackling Climate Change-Strategy
	Financial position, financial performance and cash flows	Current Financial Impact	Tackling Climate Change-Strategy
		Anticipated financial effect	Tackling Climate Change-Strategy
	Climate resilience	An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range.	Tackling Climate Change-Strategy

Index of Appendix C2 Environmental, Social and Governance Reporting (ESG) Code of the SEHK			
Subject Areas		Description	Chapters
(III) Risk Management	(a) The processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks. (b) The processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities). (c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.		Tackling Climate Change-Management of Impacts, Risks and Opportunities
(IV) Metrics and Targets	Greenhouse gas emissions	An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO ₂ equivalent, classified as: (a) Scope 1 greenhouse gas emissions; (b) Scope 2 greenhouse gas emissions; and (c) Scope 3 greenhouse gas emissions.	Tackling Climate Change-Metrics and Targets
	Climate-related transition risks	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	reasonable information waiver
	Climate-related physical risks	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	reasonable information waiver
	Climate-related opportunities	An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	commercially sensitive waiver
	Capital deployment	An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	commercially sensitive waiver
	Internal carbon prices	An issuer shall disclose: (a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and (b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.	not applicable
	Remuneration	An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement.	Climate-related considerations have not yet been incorporated into compensation policies
	Industry-based metrics	An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry.	Key Performance Tables
	Climate-related targets	An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets.	Tackling Climate Change-Metrics and Targets
	Applicability of cross-industry metrics and industry-based metrics	/	Key Performance Tables

SSE ESG Index of Indicators

Index of Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)				
Dimension	Number	Topic	Article	Report Chapters
Environment	1	Climate change tackling	Articles 21 to 28	Tackling Climate Change
	2	Pollutant discharge	Article 30	Preserving a Clean Ecosystem
	3	Waste disposal	Article 31	Preserving a Clean Ecosystem
	4	Ecosystem and biodiversity protection	Article 32	Preserving a Clean Ecosystem
	5	Environmental compliance management	Article 33	Preserving a Clean Ecosystem
	6	Energy usage	Article 35	Optimizing Resource Efficiency
	7	Usage of water resources	Article 36	Optimizing Resource Efficiency
	8	Circular economy	Article 37	Optimizing Resource Efficiency Preserving a Clean Ecosystem
Society	9	Rural revitalization	Article 39	Supporting Rural Revitalization
	10	Contributions to the society	Article 40	Jointly Building the Belt and Road Supporting Rural Revitalization Fostering Thriving Communities
	11	Innovation-driven	Article 42	Championing Technological Innovation Promoting Industry Engagement
	12	Ethics of science and technology	Article 43	Championing Technological Innovation
	13	Supply chain security	Article 45	Cultivating a Responsible Supply Chain
	14	Equal treatment to small and medium-sized enterprises	Article 46	Cultivating a Responsible Supply Chain
	15	Safety and quality of products and services	Article 47	Cementing Customer Trust
	16	Data security and customer privacy protection	Article 48	Cementing Customer Trust
	17	Employees	Article 50	Safeguarding Employee Rights and Well-being Strengthening Occupational Health and Safety Enabling Growth and Development

Index of Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)				
Dimension	Number	Topic	Article	Report Chapters
Sustainability-related governance	18	Due diligence	Article 52	ESG Management
	19	Communications with stakeholders	Article 53	ESG Management
	20	Anti-commercial bribery and anti-corruption	Article 55	Upholding Business Ethics
	21	Anti-unfair competition	Article 56	Upholding Business Ethics

GRI Content Index

GRI Index Table	
Statement of use	Huaxin Building Materials Group has reported the information cited in this GRI content index for January 1st 2025 to December 31st 2025 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard	Disclosure	Location	
GRI 2: General Disclosure 2021	2-1	Organizational details	About Huaxin Building Materials Group
	2-2	Entities included in the organization's sustainability report	About the Report
	2-3	Reporting period, reporting frequency, and contact point	About the Report
	2-4	Restatements of information	About the Report
	2-6	Activities, value chain and other business relationship	About Huaxin Building Materials Group Tackling Climate Change
	2-7	Employees	Key Performance Tables
	2-8	Workers who are not employees	Key Performance Tables
	2-9	Governance structure and composition	ESG Management Enhancing Governance Effectiveness
	2-10	Nomination and selection of the highest governing body	Enhancing Governance Effectiveness
	2-11	Chair of the highest governance body	Enhancing Governance Effectiveness

GRI Standard	Disclosure	Location
GRI 2: General Disclosure 2021	2-12	Role of the highest governance body in overseeing the management of impacts ESG Management Enhancing Governance Effectiveness
	2-13	Delegation of responsibility for managing impacts ESG Management Enhancing Governance Effectiveness
	2-14	Role of the highest governance body in sustainability reporting ESG Management
	2-15	Conflicts of interest Enhancing Governance Effectiveness
	2-16	Communication of critical concerns ESG Management
	2-17	Collective knowledge of the highest governance ESG Management
	2-18	Evaluation of the performance of the highest governance body ESG Management Enhancing Governance Effectiveness
	2-19	Remuneration policies Enhancing Governance Effectiveness
	2-20	Process to determine remuneration Enhancing Governance Effectiveness
	2-21	Annual total compensation ratio Enhancing Governance Effectiveness
	2-22	Statement on sustainable development strategy Message by the President
	2-23	Policy commitments Bolstering Governance to Reinforce the Foundation for Sustainability Practicing Green Operations to Fulfill Our Environmental Responsibility Mobilizing Collective Strength to Make Talent Prosper Driving Innovation to Energize the Industry Community Sharing Our Progress to Deliver Social Value
	2-24	Embedding policy commitments Bolstering Governance to Reinforce the Foundation for Sustainability Practicing Green Operations to Fulfill Our Environmental Responsibility Mobilizing Collective Strength to Make Talent Prosper Driving Innovation to Energize the Industry Community Sharing Our Progress to Deliver Social Value
	2-25	Processes to remediate negative impacts Bolstering Governance to Reinforce the Foundation for Sustainability Practicing Green Operations to Fulfill Our Environmental Responsibility Mobilizing Collective Strength to Make Talent Prosper Driving Innovation to Energize the Industry Community
	2-26	Mechanisms for seeking advice and raising concerns ESG Management

GRI Standard	Disclosure	Location
GRI 2: General Disclosure 2021	2-27	Compliance with laws and regulations Bolstering Governance to Reinforce the Foundation for Sustainability Practicing Green Operations to Fulfill Our Environmental Responsibility Mobilizing Collective Strength to Make Talent Prosper Driving Innovation to Energize the Industry Community Sharing Our Progress to Deliver Social Value
	2-28	Membership associations Promoting Industry Engagement
	2-29	Approach to stakeholder engagement ESG Management
	2-30	Collective bargaining agreements Safeguarding Employee Rights and Well-being
GRI 3: Material Topics 2021	3-1	Process to determine material topics ESG Management
	3-2	List of material topics ESG Management
	3-3	Management of material topics Bolstering Governance to Reinforce the Foundation for Sustainability Practicing Green Operations to Fulfill Our Environmental Responsibility Mobilizing Collective Strength to Make Talent Prosper Driving Innovation to Energize the Industry Community Sharing Our Progress to Deliver Social Value
GRI 101: Biodiversity 2024	101-1	Policies to halt and reverse biodiversity loss Preserving a Clean Ecosystem
	101-2	Management of biodiversity impacts Preserving a Clean Ecosystem
	101-4	Identification of biodiversity impacts Preserving a Clean Ecosystem
	101-8	Ecosystem services Preserving a Clean Ecosystem
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed Key Performance Tables
	201-2	Financial implications and other risks and opportunities due to climate change Tackling Climate Change
	201-3	Defined benefit plan obligations and other retirement plans Safeguarding Employee Rights and Well-being
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported Jointly Building the Belt and Road Supporting Rural Revitalization
GRI 205: Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures Upholding Business Ethics
	205-3	Confirmed incidents of corruption and actions taken Upholding Business Ethics

GRI Standard	Disclosure		Location
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Upholding Business Ethics
GRI 207: Tax 2019	207-1	Approach to tax	Fortifying Risk-Control Defenses
GRI 207: 税收 2019	207-2	Tax governance, control, and risk management	Fortifying Risk-Control Defenses
GRI 301: Materials 2016	301-1	Materials used by weight or volume	Optimizing Resource Efficiency
	301-2	Recycled input materials used	Optimizing Resource Efficiency
	301-3	Reclaimed products and their packaging materials	Optimizing Resource Efficiency
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Optimizing Resource Efficiency
	302-3	Energy intensity	Optimizing Resource Efficiency
	302-4	Reduction of energy consumption	Optimizing Resource Efficiency
	302-5	Reductions in energy requirements of products and services	Optimizing Resource Efficiency
GRI 303: 水资源和污水 2018	303-1	Interactions with water as a shared resource	Optimizing Resource Efficiency
	303-2	Management of water discharge-related impacts	Optimizing Resource Efficiency
	303-3	Water withdrawal	Optimizing Resource Efficiency
	303-4	Water discharge	Optimizing Resource Efficiency Preserving a Clean Ecosystem
	303-5	Water consumption	Optimizing Resource Efficiency
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Tackling Climate Change
	305-2	Energy indirect (Scope 2) GHG emissions	Tackling Climate Change
	305-4	GHG emissions intensity	Tackling Climate Change
	305-5	Reduction of GHG emissions	Tackling Climate Change
	305-7	Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	Preserving a Clean Ecosystem

GRI Standard	Disclosure		Location
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Preserving a Clean Ecosystem
	306-2	Management of significant waste-related impacts	Preserving a Clean Ecosystem
	306-3	Waste generated	Preserving a Clean Ecosystem
	306-4	Waste diverted from disposal	Preserving a Clean Ecosystem
	306-5	Waste directed to disposal	Preserving a Clean Ecosystem
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Cultivating a Responsible Supply Chain
	308-2	Negative environmental impacts in the supply chain and actions taken	Cultivating a Responsible Supply Chain
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Key Performance Tables
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Safeguarding Employee Rights and Well-being
	401-3	Parental leave	Safeguarding Employee Rights and Well-being
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Strengthening Occupational Health and Safety
	403-2	Hazard identification, risk assessment, and incident investigation	Strengthening Occupational Health and Safety
	403-3	Occupational health services	Strengthening Occupational Health and Safety
	403-4	Worker participation, consultation, and communication on occupational health and safety	Strengthening Occupational Health and Safety
	403-5	Worker training on occupational health and safety	Strengthening Occupational Health and Safety
	403-6	Promotion of worker health	Strengthening Occupational Health and Safety
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Strengthening Occupational Health and Safety
	403-8	Workers covered by an occupational health and safety management system	Strengthening Occupational Health and Safety
	403-9	Work-related injuries	Key Performance Tables
	403-10	Work-related ill health	Strengthening Occupational Health and Safety

GRI Standard	Disclosure	Location
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee Key Performance Tables
	404-2	Programs for upgrading employee skills and transition assistance programs Enabling Growth and Development
	404-3	Percentage of employees receiving regular performance and career development reviews Enabling Growth and Development
GRI 405: Diversity and Equal	405-1	Diversity of governance bodies and employees Enhancing Governance Effectiveness Safeguarding Employee Rights and Well-being
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken Safeguarding Employee Rights and Well-being
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor Safeguarding Employee Rights and Well-being Cultivating a Responsible Supply Chain
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor Safeguarding Employee Rights and Well-being Cultivating a Responsible Supply Chain
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs Jointly Building the Belt and Road Supporting Rural Revitalization Fostering Thriving Communities
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria Cultivating a Responsible Supply Chain
	414-2	Negative social impacts in the supply chain and actions taken Cultivating a Responsible Supply Chain
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories Cementing Customer Trust
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services Cementing Customer Trust
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling Cementing Customer Trust
	417-2	Incidents of non-compliance concerning product and service information and labeling Cementing Customer Trust
	417-3	Incidents of non-compliance concerning marketing communications Cementing Customer Trust
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data Cementing Customer Trust

Assurance Report


Assurance Statement: 2025 Huaxin Building Materials Group Co., Ltd. ESG Report

Independent Assurance Statement for the 2025 Huaxin Building Materials Group Co., Ltd. Environmental, Social and Governance (ESG) Report

To the management team and stakeholders of Huaxin Building Materials Group Co., Ltd.,
SynTao Green Finance Co., Ltd. (hereinafter referred to as “SynTao GF”) was commissioned by Huaxin Building Materials Group Co., Ltd. (hereinafter referred to as “Huaxin”) to conduct an independent third-party assurance of the relevant information disclosed in its *2025 Huaxin Building Materials Group Co., Ltd. Environmental, Social and Governance (ESG) Report* (hereinafter referred to as “*ESG Report*”). The assurance conducted by SynTao GF is outlined as follows:

Scope of Assurance

- 1. Timeframe**
The assurance was limited to the information disclosed in the *ESG Report* for the period from January 1, 2025, to December 31, 2025. Any relevant information outside this reporting period were not within the scope of this assurance.
- 2. Information and Data Scope**
The scope of this assurance was limited to the information concerning Huaxin covered in the *ESG Report* and did not include information from third parties such as Huaxin's suppliers. Information disclosed in the *ESG Report* that had already been audited or verified by independent third-party organisations were not re-verified in this process.
- 3. Assurance Scope**
The assurance scope aimed to assess whether the *ESG Report* complied with the Inclusivity, Materiality, Responsiveness, and Impact principles outlined in *AA1000AP (2018)*.

Responsibilities

The responsibility of Huaxin was to ensure the integrity and accuracy of the content of the *ESG Report* and the information provided to SynTao GF, with no significant misrepresentations.
The responsibility of SynTao GF was to issue an independent assurance statement based on the information provided by Huaxin under *AA1000 Assurance Standard v3 (AA1000AS v3)*.

Standards

SynTao GF utilized *AA1000AS v3* as the reference standard for assurance services. *AA1000AS v3* refers to the assurance standard created by AccountAbility. The type and depth of assurance conducted in this instance were categorized as “Type 1, Moderate Assurance” .

The assurance statement was prepared by SynTao GF following the *SynTao GF Non-Financial Report Assurance Method*. In addition to *AA1000AS v3*, the standards, principles, and initiatives referenced by SynTao GF included: Global Reporting Initiative *GRI Standards*/ Sustainability Reporting Guidance from Shanghai, Shenzhen and Beijing Stock Exchanges / Hong Kong Exchanges and Clearing Limited *ESG Reporting Code*/ Task Force on Climate-related Financial Disclosures *TCFD Framework*/ International Sustainability Standards Board (ISSB) *IFRS S1 - General Requirements for Disclosures of Sustainability-related Financial Information* and *IFRS S2 Climate-related Disclosures* / European Union *Corporate Sustainability Reporting Directive (CSRD)* / *Greenhouse Gas Protocol (GHG Protocol)*, among others.

Assurance Methodology

- 1. Assurance Plan**



Assurance Statement: 2025 Huaxin Building Materials Group Co., Ltd ESG Report

SynTao GF recorded key resource requirements, evidence to be collected, tasks, activities, deliverables, and timelines in the schedule, forming a plan.

2. Information Collection

Following principles of clarity, balance, completeness, and timeliness, SynTao GF assessed the quality of the collected information.

3. Conducting Assurance

- Conducting interview with the sustainability management of the Public Affairs Department.
- Verifying relevant documents, data, and other materials provided by Huaxin.
- Assessing whether the information and data in the *ESG Report* comply with the inclusivity, materiality, responsiveness, and impact principles outlined in *AA1000AP (2018)*.
- Assessing if the report follows *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)*.

4. Any other necessary work deemed by SynTao GF

Independence and Capability

1. Independence

SynTao GF declares that, SynTao GF and Huaxin are entirely independent entities. SynTao GF is free from bias or conflict of interest with Huaxin.

2. Capability

SynTao GF specializes in providing professional consulting, research, and training services in sustainable finance, including environmental, social, and corporate governance (ESG) ratings, green finance strategy, Environmental and Social Risk Management (ESRM), green finance product innovation, research on green finance and responsible investment, green bond assurance, as well as green credit and responsible investment capacity building.

SynTao GF is a licensed assurance provider of *AA1000AS v3*. This license authorizes SynTao GF to use and comply with AccountAbility's *AA1000AS v3*, as well as the use of the *AA1000AS v3* markings related to sustainability assurance services.

Members of SynTao GF's assurance team hold qualifications in AA 1000 Certified Sustainability Assurance Practitioner (CSAP), ISO14001 internal auditing, CFA ESG, EFFAS Certified ESG Analyst, GRI training certification, carbon asset management, and other qualifications in the field of sustainable development. The team consists of professionals with extensive experience in the field of sustainable development and a comprehensive understanding of the *AA1000AS v3* standard.

Limitations

SynTao GF relied entirely on the information provided by Huaxin required in the assurance of this *ESG Report* and did not collect information from other external sources. Interviews also did not involve external stakeholders.

Content for Assurance

AA1000 Accountability Principles (2018)

Inclusivity: Huaxin identified the company's key stakeholders, it communicated with them continuously through various ways, and publicly disclosed the communication outcomes. Huaxin provides necessary capacity building for stakeholder engagement.

Materiality: Huaxin collected opinions from key stakeholders, identified the ESG issues that are highly relevant to the company, and have clear procedures to prioritise material issues.



Assurance Statement: 2025 Huaxin Building Materials Group Co., Ltd ESG Report

Responsiveness: Huaxin has responded to the material issues of concern to its key stakeholders and reviewed its performance of relevant targets, and has invested in relevant capacity building.

Impact: Huaxin has established a process for measuring, evaluating, and managing the company's impacts, and has integrated some of these impacts into the company's material issues and strategic objectives.

Conclusion

- SynTao GF did not identify any non-compliance with the Inclusivity, Materiality, Responsiveness, and Impact principles outlined in *AA1000AP (2018)* in the *2025 Huaxin Building Materials Group Co., Ltd. Environmental, Social and Governance (ESG) Report*.
- The *2025 Huaxin Building Materials Group Co., Ltd. Environmental, Social and Governance (ESG) Report* was not found to have been prepared without reference to the *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)*.



AA1000
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Assurance Provider: SynTao Green Finance Co., Ltd.

Assurance Team Lead: WU, Yanjing

March 26, 2026

Reader Feedback Form

Dear readers,

Thank you very much for reading the Huaxin Building Materials Group Co., Ltd. Environmental, Social, and Governance Report (2025). We earnestly look forward to your comments and suggestions on the Report and our work. You can send the completed questionnaire back to us by mail or email after scanning. Your valuable opinions are greatly appreciated. Thank you!

Optional question (please tick the corresponding place $\sqrt{\quad}$)

1. What's your relation with Huaxin Building Materials Group?

- Shareholder
 Investor
 Employee
 Supplier
 Customer
 Government
 Community
 Academic Institutions
 Non-profit Organizations
 Other (please specify)

2. Is all the information you are concerned about reflected in the Report?

- Yes
 No

3. Your comprehensive evaluation of the ESG Report of Huaxin Building Materials Group in 2025:

	3 (pretty good)	2 (just so-so)	1 (very bad)
Readability (it is readable and understandable, with beautiful and attractive design and layout, and it is easy to find the required information)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Credibility (information in this Report is true and credible)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Information integrity (it gives consideration to both positive and negative information and meets your information needs)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Open-ended questions

4. Besides what has been disclosed in the Report , what information do you want to read?

Contact

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